

**FBIS**

# DAILY REPORT

## CONTENTS

*Latin America*

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## ARGENTINA

|                                               |     |
|-----------------------------------------------|-----|
| Foreign Ministry Views UK Stopovers in Brazil | B 1 |
| Air Attache Delays Return                     | B 1 |
| Agriculture Secretary Addresses U.S. Concerns | B 1 |
| Military Mission Reportedly To Visit Libya    | B 2 |
| Defense Minister Denies Missile Purchases     | B 3 |
| Foreign Minister Ill With Flu                 | B 3 |
| Tucuman Police Quit Barracks, Continue Strike | B 3 |
| Police Chief Resigns                          | B 3 |

## BOLIVIA

|                                              |     |
|----------------------------------------------|-----|
| MNRI-1 Demands Full Relations With Cuba      | C 1 |
| Peasant Congress Rejects IMF Economic Advice | C 1 |
| [PRESENCIA 30 Jun]                           |     |

## BRAZIL

|                                                  |     |
|--------------------------------------------------|-----|
| President's Agenda for U.S. Medical Tests Given  | D 1 |
| [JORNAL DO BRASIL 5 Jul]                         |     |
| Negotiations for Arms Sales to Libya Resumed     | D 1 |
| [JORNAL DO BRASIL 23 Jun]                        |     |
| Government, IMF Disagree on Deficit Total        | D 1 |
| [O GLOBO 4 Jul]                                  |     |
| Possible New International Loan Reported         | D 2 |
| [O ESTADO DE SAO PAULO 24 Jun]                   |     |
| NUCLEBRAS Suspends Several Nuclear Projects      | D 2 |
| [O ESTADO DE SAO PAULO 3 Jul]                    |     |
| State Refinery Workers in Paulinia Strike 6 July | D 2 |
| Briefs: Agreement With Suriname;                 | D 3 |
| Balance of Trade Surplus                         |     |

## CHILE

|                                         |     |
|-----------------------------------------|-----|
| National Protest Day Called for 12 July | E 1 |
| CODELCO Reviews Cases, Fires 830 Miners | E 1 |

## COLOMBIA

|                                                |     |
|------------------------------------------------|-----|
| Havana Cites Betancur's Remarks to EEC Envoys  | F 1 |
| ELN Launches Series of Dynamite Attacks        | F 1 |
| Guerrillas Air Communique Over Popayan Station | F 1 |
| Two Killed, Four Wounded in Clash With FARC    | F 2 |
| [EL TIEMPO 30 Jun]                             |     |

## PERU

|                                                   |     |
|---------------------------------------------------|-----|
| Belaunde Charges Terrorists Enjoy Foreign Support | J 1 |
| Arrested Danish Citizens Handed Over to Embassy   | J 1 |
| Special Courts Created for Terrorist Cases        | J 1 |

## VENEZUELA

|                                                |     |
|------------------------------------------------|-----|
| President Herrera Campins Addresses the Nation | L 1 |
| Cuba's Bravo Meets With Venezuelan Leaders     | L 3 |
| Meeting With Petkoff                           | L 3 |
| Meeting With Campins                           | L 4 |

## MEXICO

|                                              |     |
|----------------------------------------------|-----|
| Guatemalan Refugees Not To Be Deported       | M 1 |
| [EXCELSIOR 29 Jun]                           |     |
| Cultural Delegation Departs for Moscow Talks | M 1 |
| Costa Rican Envoy Praises Contadora Efforts  | M 1 |
| Government Lauds 3 Jul Municipal Elections   | M 2 |
| Private Sector's Foreign Debt Refinanced     | M 3 |
| [EL UNIVERSAL 29 Jun]                        |     |

## PANAMA

|                                                    |     |
|----------------------------------------------------|-----|
| PRT Warns Against 'Bourgeois Alliances' of Paredes | N 1 |
| [YA 6 Jul]                                         |     |
| Foreign Minister Supports Paredes in Interview     | N 1 |

## CENTRAL AMERICA

## COSTA RICA

|                                                  |     |
|--------------------------------------------------|-----|
| Nicaraguan Minister Reports Costa Rican's Arrest | P 1 |
|--------------------------------------------------|-----|

## EL SALVADOR

|                                                  |     |
|--------------------------------------------------|-----|
| Extremist Attack Against Aguilares Fails         | P 1 |
| Army on Local Guerrillas' Links With Sandinists  | P 1 |
| [EL MUNDO 4 Jul]                                 |     |
| COPREFA Condemns Anticomunist Army Actions       | P 3 |
| Government Refuses To Meet Amnesty International | P 3 |
| Peace Commission Member Cites Amnesty Results    | P 4 |
| Peace Commission To Meet With FMLN-FDR [Managua] | P 4 |
| Comments on Dialogue With Rebels                 | P 5 |
| [LA PRENSA GRAFICA 6 Jul]                        |     |
| FMLN-FDR Wants Dialogue With Ambassador Stone    | P 5 |
| FMLN Issues Communique on U.S. Embassy Attack    | P 6 |

## GUATEMALA

|                                                  |     |
|--------------------------------------------------|-----|
| Minister Reports President's Sister Kidnapped    | P 6 |
| More on Kidnapping                               | P 6 |
| State Council Considers 'State of Alarm' Measure | P 7 |
| Analysis of Military Discontent With Regime      | P 7 |
| President Rejects Secretaries' Resignations      | P 8 |
| [EL GRAFICO 6 Jul]                               |     |

|                                                 |     |
|-------------------------------------------------|-----|
| Government Authorizes Public, Private Meetings  | P 9 |
| Havana Cites Demand for Release of Union Leader | P 9 |
| Havana Cites Rebel Actions, Occupation of Town  | P 9 |

## HONDURAS

|                                                  |      |
|--------------------------------------------------|------|
| President in Houston for Medical Checkup         | P 9  |
| [LA TRIBUNA 6 Jul]                               |      |
| Army on Alert Against Possible Subversive Acts   | P 10 |
| [LA PRENSA 5 Jul]                                |      |
| Salvadoran President Magana To Visit 20 July     | P 10 |
| [EL HERALDO 5 Jul]                               |      |
| Government 'Clarifies' Paz' Belgrade Statements  | P 11 |
| Paz Barnica Visits Romania, Meets With Officials | P 11 |
| [cross-reference]                                |      |
| Paz Barnica's Activities in Greece Reported      | P 11 |
| Paz Barnica Arrives in Rome on European Tour     | P 12 |

## NICARAGUA

|                                                  |      |
|--------------------------------------------------|------|
| Station Comments on FDN Request for Dialogue     | P 13 |
| Conflicting Claims on Fighting in South Reported | P 13 |
| Meat Exports Suspended To Meet Domestic Demand   | P 14 |
| Ortega, Ramirez on 'Face the People' Program     | P 14 |
| Borge Ponders Counterrevolutionary 'War Plans'   | P 20 |
| Ramirez at Caracas Meeting; Cites Rebel Plans    | P 21 |
| Speech at Meeting                                | P 22 |
| Return From Caracas                              | P 22 |
| Robelo on Efforts To Get U.S. Backing for ARDE   | P 23 |
| [LA NACION 27 Jun]                               |      |
| FDN Stages Actions in Jinotega, Nuevo Segovia    | P 24 |
| Sandinist Aircraft Reportedly Attack ARDE Forces | P 25 |

## CUBA

|                                             |     |
|---------------------------------------------|-----|
| Desired Sugar Agreement Outlined in London  | Q 1 |
| FBI Probe of 'Debategate' Scandal Cited     | Q 1 |
| USSR Ambassador Awarded Port Workers Medal  | Q 1 |
| 42 Youths Graduate From Alma Ata Institutes | Q 2 |
| Castro Receives Health Conference Delegates | Q 2 |
| Salvadoran Delegate Interviewed             | Q 2 |

## CARIBBEAN

|                                                   |     |
|---------------------------------------------------|-----|
| Caricom Discusses Expansion; Seaga Rules Out Cuba | S 1 |
| Adams Denies Barbados Is Begging for Money        | S 2 |
| Bishop Says Relations With U.S. Improving         | S 4 |
| Garment Manufacturers Set Goals for Growth        | S 5 |
| Bahamas Joins Caricom, Will Host 1984 Summit      | S 5 |

## GRENADA

|                                                |     |
|------------------------------------------------|-----|
| Bishop on U.S. Interference in IMF, World Bank | S 6 |
| Bishop: Constitution To Reflect People's Aims  | S 6 |

## JAMAICA

Government Announces IMF Waiver on Performance

S 7

[SUNDAY GLEANER, 26 Jun]

Manley Lists Economic Woes, Decries Consumerism

S 8

[DAILY GLEANER, 24 Jun]

## TRINIDAD AND TOBAGO

Drop in Foreign Exchange Reserves Reported

S 10

[BARBADOS ADVOCATE 30 Jun]

FOREIGN MINISTRY VIEWS UK STOPOVERS IN BRAZIL

PY061843 Buenos Aires DYN in Spanish 1934 GMT 5 Jul 83

[Text] Buenos Aires, 5 Jul (DYN) -- Today Oscar Fernandez Suarez, official spokesman of the Argentine Foreign Ministry, said that the problem created by the landing of British military airplanes in Brazilian territory is "moving toward a satisfactory solution."

The spokesman did not elaborate to justify his optimism although reliable sources at San Martin Palace reacted favorably to the remarks made last night by Brazilian Foreign Minister Ramiro Saraiva Guerreiro who affirmed that his government will be more strict in authorizing the landing of the airplanes.

The sources indicated that there is no specific agreement between Argentina and Brazil to prevent the landing of military planes on the way to the Malvinas. They added that this is why the remarks made yesterday by Saraiva Guerreiro were well received when he affirmed that his government will only allow landings "in cases of emergency" because this implies "a unilateral Brazilian decision, a political decision to adopt that measure."

Meanwhile, Brazilian Ambassador Carlos Duarte da Rocha told a Buenos Aires daily that a solution to the problem created by the landing of British military planes will be solved "no later than this week."

Yesterday Gustavo Figueroa, chief of the Foreign Ministry's cabinet, announced that the government is expecting "a reaction from the Brazilian Government" on this matter.

Fernandez Suarez said that Foreign Minister Juan Ramon Aguirre Lanari, who discussed this matter with President Reynaldo Bignone yesterday, will not attend the regular weekly cabinet meeting tomorrow due to a cold. However, Aguirre Lanari is taking care of urgent matters at home.

Air Attache Delays Return

PY061744 Buenos Aires DYN in Spanish 1754 GMT 6 Jul 83

[Excerpt] Buenos Aires, 6 Jul (DYN) -- Air Force attache to the Argentine Embassy in Brasilia, Colonel Hector Panzardi, will not return, at least just now, to Brazil. This is a gesture of disapproval of the "lack of solidarity" of the Brazilian Air Force in permitting British planes enroute to the Malvinas to land, authoritative sources announced today.

AGRICULTURE SECRETARY ADDRESSES U.S. CONCERNS

PY061203 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0045 GMT 3 Jul 83

[Text] Buenos Aires, 2 Jul (NA) -- Victor Santirso, secretary of agriculture and livestock, warned today that "Argentina will not discriminate as to political, religious or racial matters" in the marketing of foodstuffs.

Santirso, in statements made at Ezeiza Airport upon his return from the United States said that there is "deep concern" because of the increase of Argentine agricultural and livestock production and that he was told about U.S. farmers' desires that programs be implemented to cutback exports.

The official replied to this proposal by saying: "Argentina cannot cut back on its exports because 75 percent of them derive from farming and cattle raising."

"If we have a large foreign debt, the only way to pay it off is through agricultural and livestock exports," he noted.

Santirso reported that on 12 July the secretaries of agriculture of the United States, Ecuador, Canada and Algeria would be arriving in Argentina. Argentina and the United States "largely agree on agricultural and livestock matters, but Argentina is not relinquishing other positions that are quite well-defined."

#### MILITARY MISSION REPORTEDLY TO VISIT LIBYA

FY061648 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1740 GMT 28 Jun 83

[By Juan Yofre]

[Excerpts] Buenos Aires, 28 Jun (NA) -- Despite the objections of the Foreign Ministry, if nothing happens to change the scheduled program, a high-ranking officer of our Armed Forces will leave for Tripoli, Libya. He will reportedly not go by himself and the itinerary is reportedly set. Presumably they will arrive in the Libyan capital without drawing much attention after a stop in Rome. This is what has been reported abroad by foreign diplomatic sources accredited in Buenos Aires.

The mission to Tripoli is a continuation of a visit by an important Libyan mission to Buenos Aires last April. On that occasion, the representatives of Colonel Mu'ammarr al-Qadhdhafi were able to go unnoticed because the Group of 77 was holding a meeting in Buenos Aires at that time. This is why they did not create any suspicion in the hotels (to prevent detection they moved from a hotel in San Martin Park to another in the Retiro area).

According to reliable sources, the Libyan delegation was headed by Colonel (Abou Arahman Assid), the second most important man in Libya and member of the revolutionary command. The Libyan delegation also included Col Al-Qadhdhafi's Latin American advisor, a diplomat who showed a remarkable knowledge of our language, which he learned during a long stay in our country.

Those who went around with the Libyan representatives indicated that the Libyans showed greatest interest during a visit to the Atucha nuclear plant on 19 April. According to the Libyans, the development of Argentine nuclear technology is extremely important and they showed interest in studying the possibility of exchange in the not too distant future.

Diplomats believe that this possibility is creating great concern in the Foreign Ministry because it would create a dispute with the United States and a great number of the industrialized countries.

According to East European diplomats in Buenos Aires, our country owes Libya several million dollars as a result of the Malvinas war. Many people want to know how this debt is going to be paid. Some believe it will be paid with Argentine-made arms, mostly light weapons. However, the same people are asking themselves what is Col Al-Qadhdhafi going to do with this arsenal considering that he has access to much more sophisticated weapons.

These and other questions -- which will eventually be known -- will be answered with the visit of the Argentine mission and with the arrival of another high-ranking Libyan mission which hopes to discuss various matters despite the feelings of the Foreign Ministry.

DEFENSE MINISTER DENIES MISSILE PURCHASE

PY070156 Buenos Aires Domestic Service in Spanish 2000 GMT 6 Jul 83

[Excerpt] Defense Minister Julio Martinez Vivot has referred to reports which have hit the headlines of the international media. The defense minister stated that the reports issued by some international press agencies regarding the purchase of French-Italian-made Otomat missiles were part of an orchestrated maneuver for which he held the British intelligence service responsible. The minister pointed out that the reports were even denied by the manufacturers and distributors of the missiles.

Martinez Vivot stated that Argentina has never engaged in an arms race and that it is only updating its equipment. This is a task which started in 1974 and not just recently. It is in keeping with the program contemplated by our country, which includes national production.

FOREIGN MINISTER ILL WITH FLU

PY061347 Buenos Aires TELAM in Spanish 2020 GMT 5 Jul 83

[Excerpt] Buenos Aires, 5 Jul (TELAM) -- Foreign Minister Juan Aguirre Lanari will not attend the cabinet meeting tomorrow which is held every Wednesday nor did he report today to the San Martin Palace due to a bad case of flu.

The information was provided by the Foreign Ministry's spokesman who also said that despite his health problem, the minister is constantly being kept posted on matters pertaining to his Ministry and is analyzing with his assistants those requiring immediate attention.

TUCUMAN POLICE QUIT BARRACKS, CONTINUE STRIKE

PY061831 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1520 GMT 6 Jul 83

[Text] San Miguel de Tucuman, 6 Jul (NA) -- Around 2,000 policemen who took over their barracks in the Central Police Headquarters decided to lift this measure by leaving the barracks at noon today. However, they will not return to work until the government answers their demands, promised for 2000 tonight.

The police decision to leave the barracks was made just before 1130 when they started leaving the Tucuman Police Central Headquarters.

Police Chief Resigns

PY062118 Buenos Aires DYN in Spanish 1236 GMT 6 Jul 83

[Text] San Miguel de Tucuman, 6 Jul (DYN) -- Police Chief Lieutenant Colonel Manuel Guinazu, and Deputy Chief Commissioner Miguel Lazaarte have submitted their resignations after a meeting in which their subordinates turned down official proposals to solve the serious incident which has been created.

The resignations were submitted today in the early hours, and the meeting was held at the police barracks where more than 1,500 policemen of various ranks remained confined on their own decision during the last 24 hours demanding better salaries and other benefits.

MNRI-1 DEMANDS FULL RELATIONS WITH CUBA

PY062306 Paris AFP in Spanish 0010 GMT 3 Jul 83

[Excerpts] La Paz, 2 Jul (AFP) -- Oscar Garcia Suarez, leader of the National Revolutionary Movement of the Left - 1 (MNRI-1), reported here today that the U.S. Embassy pressured former Bolivian Foreign Minister Mario Velarde Dorado to freeze Bolivia's diplomatic relations with the Socialist Republic of Cuba.

He added that the U.S. Embassy continues to pressure the present foreign minister, Marcial Tamayo Saenz, with the same objective.

Garcia Suarez pointed out that Bolivia is free to exercise its sovereignty and that it must review the freezing of diplomatic relations with Cuba.

The MNRI-1 leader also issued an MNRI-1 declaration which notes that the Bolivian people have struggled for democracy so that they may be free to guide their own destiny at various international levels and in keeping with Bolivian interests.

Garcia Suarez noted that the resumption of bilateral relations between two Latin American nations that seek their freedom "was not viewed favorably by U.S. imperialism, and through different channels they made this known to Bolivian officials. In view of this the Bolivian government stopped its negotiations, thus acting detrimentally to Bolivian national interests."

The MNRI-1 statement notes that the Democratic and Popular Unity (UDP) government action program was only issued with the intention of achieving power since later the government acted only to please the interests of imperialism, and that it did not fulfill what it promised regarding national sovereignty, which is based on the country's right to exist as a free, independent nation able to choose its own destiny.

PEASANT CONGRESS REJECTS IMF ECONOMIC ADVICE

PY051530 La Paz PRESENCIA in Spanish 30 Jun 83 p 1

[Text] After receiving a report from the economic commission last night, the 2nd National Congress for Peasant workers unity adopted a resolution rejecting the new economic measures the government plans to implement and requesting that recommendations from abroad, such as those from the IMF, be disregarded.

It starts: "The economic patchwork consisting of devaluations, fiscal deficit cuts, tax hikes, public service tariff hikes, and so forth is detrimental for the majority of the people because it causes unemployment, hunger, and poverty." The document, which analyzes the economic situation, refers to "the peasants' serious situation which has been made even worse by the problems created by floods and drought."

The congress plenum decided "to create the Peasant Agricultural Corporation [CORACA] as an economic instrument of the oppressed majority of the people, The Single Confederation of Bolivian Peasant Workers will be the only organization charged with the actual creation and the technical implementation of CORACA within a 60-day period."

PRESIDENT'S ACENDA FOR U.S. MEDICAL TESTS GIVEN

PY061221 Rio de Janeiro JORNAL DO BRASIL in Portuguese 5 Jul 83 p 3

[Excerpts] Brasilia -- President Joao Baptista Figueiredo expects to return from Cleveland where he will undergo heart tests 3 days after his arrival, should he not need to undergo heart surgery. Presidential spokesman Carlos Atila released this report yesterday afternoon on making known the itinerary for the president's trip to the United States.

President Figueiredo will leave at 0900 on Thursday, 14 July, aboard a DC-10 leased from Varig, and he will arrive in Cleveland at 1700 without making any stops. Atila explained that the medical checkups will begin on Friday, beginning with the simplest one to gradually reach the most serious one, which is the cardio-angiogram. By Saturday the doctors will know whether the president will need an operation. If so, the president will have to remain in Cleveland for 2 weeks, according to Atila, followed by a rest period, probably in Brazil. Otherwise, he will return to Brazil on Monday morning.

Atila confirmed that only Minister Octavio Medeiros of the National Intelligence Service will accompany the president to Cleveland. The presidential retinue will be made up of his private doctor, Newton Matos, special adviser Piero Gobato, security service chief Colonel Periasu de Matos, and the team of security agents and support personnel. The president will also be accompanied by his wife, Dulce de Figueiredo, two sons, Joao and Paulo, and his brother Luis Felipe.

NEGOTIATIONS FOR ARMS SALES TO LIBYA RESUMED

PY060323 Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Jun 83 p 20

[Excerpts] Sao Paulo -- This week Libya and the Brazilian Aeronautics Company (EMBRAER) resumed negotiations for the sale of 150 Tucano aircraft (for military training purposes) and 10 Bandeirante aircraft worth \$190 million (95.95 billion cruzeiros) plus an additional 30 percent (\$57 million) of this total for spare parts and technical assistance.

Yesterday evening EMBRAER sources confirmed the resumption of negotiations which had been suspended because some Libyan planes transporting arms were detained in Brazil. These planes were released 15 days ago.

A source of the national industry disclosed yesterday that the delivery of previous orders were not suspended during the incident.

The same source believes that the purchase of Tucano and Bandeirante aircraft will prompt Libya to purchase rockets and missiles to equip its aircraft. This would represent the sale of a "complete package" of Brazilian-made war materiel.

GOVERNMENT, IMF DISAGREE ON DEFICIT TOTAL

PY061416 Rio de Janeiro O GLOBO in Portuguese 4 Jul 83 p 1

[Text] For the federal government Brazil's 1982 deficit amounted to 2.99 trillion cruzeiros, 5.8 percent of the GNP, while for the IMF it was 8.72 trillion cruzeiros, 16.9 percent of the GNP. The 5.7 trillion cruzeiro difference has been the subject of discussion among Brazilian and IMF experts since last May. Brazilian authorities do not fully agree with the IMF accounting method to check on the 3-month growth of the fiscal deficit in Brazil, which has a higher than 100 percent inflation rate and an economy linked to price correction indexes.

POSSIBLE NEW INTERNATIONAL LOAN REPORTED

PY061654 San Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 83 p 24

[Text] International banks are getting ready to grant Brazil a new "jumbo" loan of approximately \$7.5 billion to cover almost 50 percent of the interest rate due for payment between now and the end of the year. Yesterday in San Paulo representatives of important financial enterprises disclosed that there is a certain consensus among Brazil's creditors that the country will not be able to cope with the interest rates even if the negotiations being carried out with the IMF are being appropriately conducted. Regarding amortizations, there is no doubt that they will have to be rescheduled.

Studies for a new "jumbo" loan are being started by 14 banks, that is, 7 U.S. banks and 7 banks from various other countries. With an estimate that the overall Brazilian foreign debt by the end of 1983 will amount to \$100 billion and that the average interest rates to be covered by 1984 will amount to \$10 to 11 billion, including interest rates due for payment by the end of the second half of this year, Brazil's estimated needs to meet those commitments amount to \$15 billion.

According to a representative of the Bank of London, it is quite possible that the Brazilian trade balance will continue to be positive and that the surplus obtained between July 1983 and December 1984 will amount to \$7 or 8 billion which would be enough to cover the remaining 50 percent of the interest rates due for payment in that period. The same source commented that "the truth is that there are so many unpredictable factors involved that makes it difficult to estimate the resources the country will require."

The bankers believe that the negotiation of a loan for such a large amount will not be easy due mainly to the objections of the small and medium banks. Nevertheless, they believe that the results will be much more positive than those obtained through the four point financial project drawn up at the end of 1982 to meet this year's commitments which still have not been covered.

NUCLEBRAS SUSPENDS SEVERAL NUCLEAR PROJECTS

PY061420 San Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 83 p 1

[Text] The 25-billion cruzeiro cut in this year's NUCLEBRAS investment budget has forced the enterprise to postpone until mid-1984 bids for the civil engineering work at the Iguape I and II nuclear plants in Sao Paulo. This information was provided by Mines and Energy Ministry advisors who also revealed that the construction of Angra 3 -- although it was contracted with the Andrade Gutierrez Company on 10 June -- was postponed, as was the construction of the plants for the exploitation and production of uranium concentrate in Itataia (Ceara State) and Lagoa Real (Bahia State). The advisors noted, however, that the timetable for the startup of Angra 2 and 3 and Iguape I and II has not been changed -- late 1988, 1989, 1991 and 1992 respectively -- because NUCLEBRAS expects to be able to compensate by 1985 for the cuts recently made in its budget.

STATE REFINERY WORKERS IN PAULINIA STRIKE 6 JULY

PY061828 Paris AFP in Spanish 1554 GMT 6 Jul 83

[Excerpts] Sao Paulo, 6 Jul (AFP) -- Last night the 1,100 workers of the Paulinia State Refinery decided to go on an indefinite strike after the negotiations between labor minister Murilo Macedo and the president of the Oil Workers Union, Jaco Bittar, failed.

However, the refinery continues operating because the evening shift workers were forced to continue working, risking their health and jeopardizing the plant's security, said Bittar who placed the responsibility for any accident in Paulinia on the labor minister.

Brazilian officials are afraid that the Paulinia strike may cause workers of other refineries, who are displeased with the latest government economic measures, to support them.

In Sao Paulo and neighboring cities, where the country's main auto plants are located, the metallurgical workers are also threatening to strike to show their discontent.

#### BRIEFS

AGREEMENT WITH SURINAME -- The Brazilian and Surinamese Governments have signed a letter of intent for the installation in Suriname of 300 public telephones for \$3 million. The agreement was signed during the first meeting of ministers of communications of the countries of the Amazon region held in Manaus. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 1 Jul 83 PY]

BALANCE OF TRADE SURPLUS -- The balance of payments has registered an \$834 million surplus in June 1983. Exports reached \$2,002,000,000 and imports \$1,168,000,000. The \$834 million surplus is a record high. [Summary] [Sao Paulo Radio Bandeirantes Network in Portuguese 0230 GMT 6 Jul 83 PY]

NATIONAL PROTEST DAY CALLED FOR 12 JULY

PY061413 Madrid EFE in Spanish 0937 GMT 6 Jul 83

[Excerpts] Santiago, Chile (EFE) -- Several unions have expressed their support in the last few hours to the third national day of protest scheduled for 12 July while at the same time the Santiago courts have released those who were arrested during the national day of protest held on 14 June.

The National Development Project (PRODEN), a rights organization that groups dissident Chilean personalities and union institutions, has expressed its support for the third national day of protest which has not been officially called by any specific institution.

A statement issued on 24 June by the opposition multiparty group notes that "if the government does not start a dialogue with dissident groups, the national day of protest scheduled for the month of July will be held." The group of retired employees of the private sector and the "Chilean Women's" group have also expressed their support for the national day of protest.

PRODEN President Jorge Lavanderos has stated that PRODEN has expressed its support for the national day of protest scheduled for 12 July because "the right to protest is established in the Constitution that was issued by this government."

Moreover, the Santiago Court of Appeals unanimously decided to release 21 persons who were detailed on 14 June for their involvement in the national protest day that was called by the Copper Workers Confederation and by "Multiunion Group 2."

The Interior Ministry has prohibited the holding of a plebiscite among physicians that was going to ask physicians whether they agreed with the present health program. The plebiscite was called by the Chilean Medical Board and it was to be held during the next weekend.

CODELCO REVIEWS CASES, FIRES 830 MINERS

PY061237 Madrid EFE in Spanish 0026 GMT 5 Jul 83

[Text] Santiago, 4 Jul (EFE) -- CODELCO of Chile, the state-owned enterprise that runs the country's large copper mines, announced today that 830 mineworkers of El Salvador, Andina, and El Teniente mines have been fired due to the walkout staged on 16 and 17 June.

A communique issued by the enterprise says that this is the "final decision" and that it is aware of the consequences that the measures entail, "which the enterprise much to its dislike was forced to adopt." But these measures were necessary "for keeping labor peace and the only way to soundly safeguard the job stability of all its workers."

The CODELCO decision came 7 hours after the 2-hour meeting held between leaders of the Confederation of Copper Workers, headed by their Vice Chairman Hugo Estivales, and Interior Minister General Enrique Montero.

The communique issued by the state-owned enterprise notes that the stoppage affected 5,273 mineworkers and that the decision was finally made, after reconsidering several cases, to dismiss 830 of them, 31 of whom were union leaders. "This number affects 15.7 percent of the mineworkers who, according to the regulations in force, were liable for termination of their contracts."

HAVANA CITES BETANCUR'S REMARKS TO EEC ENVOYS

FL061543 Havana Domestic Television Service in Spanish 1428 GMT 6 Jul 83

[Text] Bogota -- Colombian President Belisario Betancur has reiterated that socioeconomic problems are at the root of the Central American crisis and called on the EEC to undertake a plan designed to aid this region.

Betancur made the statement at a meeting held here with ambassadors from EEC member countries.

ELN LAUNCHES SERIES OF DYNAMITE ATTACKS

PA061540 Paris AFP in Spanish 1511 GMT 6 Jul 83

[Text] Medellin, Colombia, 6 Jul (AFP) -- The pro-Castro National Liberation Army (ELN) guerrillas disclosed today that they have begun a series of dynamite attacks in Colombia within what they call the "Free Central America Operation."

The Salvadoran Consulate in Medellin, the second city in Colombia, was the first target of this guerrilla offensive when a bomb exploded at its installations today. There were no victims, although considerable property damage was done.

The explosion, which took place in the early morning hours, broke the windows of the consulate building. However, because of the hour, there was no one inside.

The ELN, a guerrilla organization that has rejected the amnesty offered by President Belisario Betancur's government, also set off bombs in two local police offices.

One of the bombs exploded in the police post in the suburb of Aranjuez and the other at the Criminological Studies Department in the same precinct. There were no victims.

The three attacks were announced ahead of time by an anonymous caller to a Medellin radio station. The caller indicated that the attacks would be carried out by the ELN within the framework of the "Free Central America Operation."

The caller indicated that the Chilean Consulate in Medellin and a carabinero police station would also be attacked.

GUERRILLAS AIR COMMUNIQUE OVER POPAYAN STATION

PA061610 Bogota Cadena Radial Super in Spanish 0000 GMT 6 Jul 83

[Text] Popayan -- Four guerrillas belonging to the outlawed National Liberation Army, ELN, occupied the transmitters and studios of the station La Voz del Cauca for several minutes, broadcasting a 7-minute proclamation.

The proclamation was signed by the Manuel Vasquez Castano Command. During the time the guerrillas' cassette was on the air, it referred to the 18 years since that subversive movement was founded. After the guerrillas aired the communique, they fled the station, leaving several ELN banners behind.

The police security forces conducted a special operation in search of the subversives who seized the station in Popayan.

TWO KILLED, FOUR WOUNDED IN CLASH WITH FARC

PA052026 Bogota EL TIEMPO in Spanish 30 Jun 83 p 1-A

[By Jorge Parga Vanegas]

[Text] Neiva, Colombia, 29 Jun -- Two policemen were killed and four wounded in an attack on the village of Palestina, in southern Huila Department, staged by FARC's [Revolutionary Armed Forces of Colombia] 13th Front.

Policeman Guillermo Rojas Rey lost his life in the guerrilla attack, which lasted 2 hours.

Later, a patrol of reinforcements sent from Pitalito was ambushed at Quebradon, and policeman Juan de Jesus Pinzon was killed. In this action, policemen Manuel Antonio Restrepo Martinez, Alirio Collazos Santanilla, Porfirio Ojeda Bermeo, and Ruben Ramirez Mafla were wounded.

The police high command reported that no stores were plundered in the attack on Palestina, though the guerrillas did manage to harangue the residents.

It was also reported that one of the wounded guerrillas was a woman.

BELAUNDE CHARGES TERRORISTS ENJOY FOREIGN SUPPORT

PY061925 Paris AFP in Spanish 2333 GMT 2 Jul 83

[Text] Lima, 2 Jul (AFP) -- Peruvian President Belaunde charged here today that the subversive acts perpetrated in Peru are financed abroad by people who support foreign ideologies.

Belaunde noted that subversives, concealed by scientific and humanitarian institutions, receive hundreds of millions of soles which are not invested in helping to increase the standard of living of the Peruvian people but to spread chaos and misery.

Speaking in a ceremony held at the police hospital in Lima, Belaunde said that we shall not allow any criminals to arrive in our country and argue for the prevalence of ideologies that are foreign to our fatherland's worthy traditions.

He also noted that drug traffickers finance subversive activities.

For his part, Interior Minister Luis Percovich reported that one of the three Danish citizens who were detained in Andahuaylas for his involvement in terrorist activities had come from Cuba. Two men and one woman, all Danish citizens, charged with being involved with leaders of the Shining Path Maoist group, were brought to Lima yesterday by police.

Andahuaylas is one of the provinces located in the southeast region of Peru that has been declared in a state of emergency as a result of the guerrilla war that Shining Path has unleashed in the area.

Percovich confirmed the president's charges about the support that guerrillas obtain from abroad but he refused to give any details. He said: "It would be premature to give any names and the origin of the support that the terrorists are receiving from abroad, but the investigation continues and its results will be disclosed at the proper time so that information will not be distorted."

The interior minister confirmed that unknown persons broke into the Peruvian Consulate in the Netherlands with the obvious intention of obtaining documents; they broke doors and windows but that they did not steal anything.

ARRESTED DANISH CITIZENS HANDED OVER TO EMBASSY

PY061549 Paris AFP in Spanish 2232 GMT 5 Jul 83

[Excerpt] Lima, 5 Jul (AFP) -- Three Danish citizens who were arrested last week in Peru on suspicion of being involved in subversive activities have been transferred to the Danish Embassy, according to a Peruvian radio station which cited police sources.

SPECIAL COURTS CREATED FOR TERRORIST CASES

PY061543 Madrid EFE in Spanish 0225 GMT 6 Jul 83

[Text] Lima, 5 Jul (EFE) -- The Peruvian justice minister announced today that special courts have been created and judges appointed to handle the increasing number of cases involving suspected terrorists.

As he came out of a meeting with President Fernando Belaunde Terry, Minister Armando Buendia revealed that courts for prosecuting crimes of terrorism will be set up to function immediately. He explained that the measure is intended to speed up the prosecution of alleged Shining Path members. The justice minister said that at present there are more than 700 detainees charged with involvement in terrorism being held in jails, and that many of them have not yet been prosecuted due to backlogs in ordinary courts.

PRESIDENT HERRERA CAMPINS ADDRESSES THE NATION

PA052250 Caracas Domestic Service in Spanish 1349 GMT 5 Jul 83

[Address to the nation by Venezuelan President Luis Herrera Campins on the occasion of National Day; at the Federal Capitol in Caracas -- live]

[Excerpts] Ladies and gentlemen: We have both the right and the duty to view with realistic optimism the path trodden during these 172 years since the congress of 1811. We have achieved freedom, which is a supreme good; We have advanced in our historic effort to achieve social equality; and we have gone from the retrogressive oligarchies, dictatorships, despotisms, and tyrannies to a pluralist, open and perfectible democracy.

Our armed forces have broken the dividing walls of misunderstanding. With their increasing national and institutional awareness, they are contributing to democratic stability, with recognition of the important majority of the population.

We have not yet managed to design a development model adjusted to our (?national) peculiarities. Every national project stumbles against (?two) formidable obstacles that must be removed by those charged with the responsibility of guiding the way to the victory over [words indistinct]. The first obstacle is [words indistinct] unless a formula is found and devised that permits its implementation by whoever wins the election, the people will doubt the effectiveness of the system and might become frustrated if a (?combination) of the defeated tendencies precludes due fulfillment of the programs.

The second obstacle is related to and conditioned by the current situation, to such an extent that the urgent nature of the national and international emergency situations often force one to respond to the current moment, almost as if it were a policy for survival wherein developments prevail over programs, intentions, and purposes.

We have a long road ahead if we are to achieve our possible overall independence: Our production presents deficiencies at the productive, technological, and distributive levels. We are making an effort for the agricultural and livestock sectors to obtain from the land what they need to achieve self-sufficiency. That is why I have proposed to the presidents of the Bolivarian countries who will visit us in a few days, this month of July, the signing of the Carlos Celestino Muti agreement for agriculture, the conservation of natural resources, and food security. This is an idea that I have been proposing to all the social sectors that are aware of the seriousness and gravity of our views and that are beginning to realize that in view of the present situation, the silent foresight of the ant is more useful than the cicada's unprepared singing.

We have not come to the end of the road to overall independence. We are fully aware that we must overcome our economic and technological dependence. The concepts of diversification, decentralization, and regionalization are guiding our educational and technical-scientific policies. The battle is long, Bolivarian persistence and determination are necessary if we are to achieve final victory.

There is an uneasy feeling among the developing countries: The economic, financial, and fiscal problems that all nations currently face acquire dangerous proportions in the many countries intent on overcoming the factors that create backwardness and on achieving a harmonious and balanced life characterized by growth. In order to advance more forcefully, those countries need the understanding, cooperation, and solidarity of the industrialized nations. But the answer to these urgent demands is taking longer than necessary. Time, which might bear very useful fruits if the desired understanding were achieved, is being wasted.

The beginning of the global negotiations in the framework of the United Nations is not being accelerated. At the multilateral forums, like the recent UNCTAD, the indispensable and appropriate agreements that circumstances would recommend are not reached.

Nothing would be more negative for the evolution of these current times than to have a feeling of frustration seize the spirits of the peoples in the developing nations. Therefore, it is not useless to issue warnings, so that with deep reflection those, who despite their strength and power, should not dash the hopes of the weak, will come to their senses.

For Latin America, the problem posed by the large foreign debt of both the private and public sectors is extremely urgent. It can be neither analyzed nor (?explained) by simple technical, monetary, financial, or economic criteria. The solutions proposed must fall within the specific framework of the social and economic realities and the existing possibilities without exceeding the (?people's) capacity for endurance, because this might lead to dramatic agitation unless balanced actions are taken.

As is already known, Venezuela is renegotiating its foreign debt. Venezuela has spoken very clearly because we understand the significance that the possible solution could have. We are moving with a proper sense of responsibility, with the desire to fulfill prior commitments. We are therefore seeking conditions that are in line with our current reality, conditions that do not hinder the people's aspirations and the social sense of our democratic policy, or destabilize the opportunities for social peace.

Despite the differences that characterize each nation's reality, the debt problem has continental dimensions, and this is how we should view it. Hence Venezuela supports the upcoming forum where this matter will be reviewed in depth -- such as the one currently being prepared by SELA and ECLA or the specialized conference on financing to which Venezuela has accorded great importance through the participation of Ambassador Victor Jimenez Landin. This conference has been approved by the OAS. It will be held in Caracas during the first half of September 1983. I hope that although the United States did not accompany the other hemispheric countries in approving this initiative, it will attend the conference and will participate actively in the deliberations of this topic, in the face of which one cannot remain indifferent.

I again reiterate my appeal to Venezuela's various political and social sectors so that, in regard to the issue of the renegotiation of the foreign debt we go with concurring and unified positions centered on Venezuela's supreme interest, above and beyond our ideological preferences and our political party positions.

Venezuela will continue its efforts to make Central America and the Caribbean a zone of peace, which is necessary for cooperation, instead of a zone of confrontation of the super powers' interests.

There are three areas in which there should be a positive action in Central America: in the international area to promote detente, as a prelude to peace; in the political, economic, and social area to create the conditions for balanced, harmonious, and productive growth, distributed in a way that social injustice, a major threat to peace, is progressively and rapidly eliminated; and in encouraging and promoting, free from interventionist plans, internal and national processes of democratic pluralism.

The political plans in this strife-torn region will be a resounding failure if its economy is not strengthened. Since August 1980, Venezuela and Mexico have been conducting an energy cooperation program with nine Central American and Caribbean countries. Despite these countries financial difficulties, of which we are all aware, they are willing to continue in the program, although under slightly different conditions, based on studies being carried out on the program's operation and results.

Venezuela will continue to be a member of the Contadora Group, which is a real and sustained effort for peace. We are pleased with the support we have received for this significant effort we are making with the cooperation of Mexico, Colombia, and Panama. The support we have received from the EEC and the European Parliament, which met on 30 June in Luxembourg, encourages us to continue our efforts.

Ladies and gentlemen, we are in the midst of celebrating the bicentennial of Simon Bolivar's birth. It is a worthy occasion to promote every aspect of Bolivar's genius, personality, life, work, and thought. This commemoration has been admirably received in every country. We highly appreciate this.

I also want to make special reference to the U.S. Congressional resolution praising Bolivar, asking the President of that great nation to issue a commemorative proclamation on the ideals and example set forth by Simon Bolivar, and urging the Library of Congress to carry out research on Simon Bolivar's impact on the United States.

Ladies and gentlemen, on another anniversary of our independence I wish to affectionately greet all friendly countries and to reiterate Venezuela's absolute support of the spiritual, moral, political, and democratic values and principles which made our birth as a nation possible. I also wish to reiterate that this year will end with the culmination of an electoral process which should reaffirm and make a reality the people's free participation in deciding our common destiny.

#### CUBA'S BRAVO MEETS WITH VENEZUELAN'S LEADERS

##### Meeting With Petkoff

FL302340 Havana Domestic Service in Spanish 2130 GMT 30 Jun 83

[Text] Caracas -- Flavio Bravo, president of the National Assembly of the People's Government, has met with the presidential candidate of the Movement Toward Socialism, Teodoro Petkoff. Bravo is attending the World Congress on Latin American Political Thought underway in Caracas. Some 3,500 persons are participating in the conference, which includes 750 foreign representatives and seven former presidents of Latin American Nations.

## Meeting With Campins

FL011149 Havana Domestic Television Service in Spanish 1108 GMT 1 Jul 83

[Text] Caracas -- Flavio Bravo Pardo, president of the National Assembly of the People's Government, yesterday met for almost 1 hour with Venezuelan President Luis Herrera Campins at the government palace.

The meeting was held in an atmosphere of frankness and cordiality and the two leaders expressed their views on world issues, especially on Central America and the Caribbean.

Bravo Pardo and Herrera Campins agreed on emphasizing the need to find a negotiated solution to the Central American conflict in view of the dangerous situation prevailing in that region.

They also noted that traditional friendly ties existing between the peoples of Venezuela and Cuba and discussed other issues of interest without overlooking the present world economic crisis which has been affecting Latin America.

GUATEMALAN REFUGEES NOT TO BE DEPORTED

PA061727 Mexico City EXCELSIOR in Spanish 29 Jun 83 pp 5-a, 34-a

[By Felicitas Pliego]

[Excerpt] Under Secretary of Foreign Relations Alfonso de Rosenzweig-Diaz and Under Secretary of Interior Jorge Carrillo Olea assured Oldrich Haselman, regional director for America and Europe for the UN High Commissioner for Refugees, UNHCR, that Mexico will not deport Guatemalan refugees. Mexico has not taken any measures to prevent the entrance of those who flee from violence in their own countries and will continue to give them help by offering them what they need for their welfare in terms of security, medical attention, food, and clothing, in the same quantity and quality as those enjoyed by Mexican citizens residing in the state of Chiapas.

The Mexican officials presided over a meeting between the Mexican Government and the UNHCR, in which the joint programs being implemented in Chiapas were assessed. They pointed out that rumors disseminated by foreign news media to the effect that Guatemalan refugees would be returned to their country against their will, are entirely groundless. The Mexican Government reiterated that the refugees' expressed will is a basic requirement for their repatriation.

CULTURAL DELEGATION DEPARTS FOR MOSCOW TALKS

FLO12230 Mexico City NOTIMEX in Spanish 2051 GMT 1 Jul 83

[Text] Mexico City, 1 Jul (NOTIMEX) -- Ricardo Valero, under secretary of planning and foreign affairs of the Secretariat of Foreign Relations, departed today for the Soviet Union to attend the seventh joint meeting on cultural exchange.

The Mexican official heads a delegation which will review the current state of cultural relations between the two countries with Moscow's cultural authorities. The meeting has been scheduled to take place from 4 to 8 July and Valero is expected to return on Sunday, 10 July.

COSTA RICAN ENVOY PRAISES CONTADORA EFFORTS

FLO62212 Mexico City NOTIMEX in Spanish 0050 GMT 6 Jul 83

[Mario Luis Altuzar]

[Excerpts] Mexico City, 5 Jul (NOTIMEX) -- Costa Rica's Ambassador to Mexico Marcelo Prieto Jimenez today expressed confidence that the meeting between the presidents of Mexico and the United States on 14 August will decrease Central American tensions. Interviewed by NOTIMEX, the diplomat also said that the "Contadora Group, the only forum Central America has in which to discuss its problems, is running a race against time for regional peace." He discounted the possibility that efforts would fail.

The ambassador agreed with the Mexican thesis that Central American problems, besides having historical roots, include the economic crisis, which is a result of unfair trade relations between the Third World and industrialized powers.

"This conflict zone -- Central America -- requires immediate attention and solutions," said the Costa Rican diplomat, and he suggested creating dialogue mechanisms to resolve conflicts and stimulate economic development while maintaining a constant struggle to encourage democracy and respect for human rights.

These principles are supported by the members of the Contadora Group -- Colombia, Mexico, Panama, and Venezuela -- "which probably are subjected to pressures by the super powers, because Central America has become a zone of geopolitical interest," he added.

He considered the different focal points of tension in the world (Central America, the Middle East, Africa and others): "They fall within the framework of the world economic crisis and the crisis in the relations between the less developed countries and industrialized countries."

Marcelo Prieto Jimenez said that in the 7 months that the "Contadora Group" has been working for peace in Central America, "it has had positive results, since we now have the sole forum, the sole instrument, the sole means of discussing our problems."

The results on which the representative of the Costa Rican Government elaborated most was the creation of a committee of observers -- two from each of the Contadora Group members -- because it allows Costa Rica to "give Nicaragua guarantees of our neutrality."

Nicaragua has maintained that, along its border with Costa Rica, there are some 2,500 rightist rebels financed by the United States to try to defeat the Sandinists, bringing Costa Rican neutrality into question.

Marcelo Prieto Jimenez rejected these accusations and accepted that, in the border area, there are Nicaraguan refugees, who do not have permission to carry weapons or to form conspiratorial groups. The Contadora observation groups are commissioned to study this situation, he said.

#### GOVERNMENT LAUDS 3 JULY MUNICIPAL ELECTIONS

FL041507 Mexico City NOTIMEX in Spanish 0430 GMT 4 Jul 83

[Text] Mexico City, 3 Jul (NOTIMEX) -- The Government Secretariat has reported that elections were held today in five Mexican states in an atmosphere of absolute tranquillity and respect for the electoral laws. The elections held in the states of Chihuahua, Campeche, Durango, Zacatecas, and Michoacan were marked by their orderliness and by the massive attendance of voters in most polling places.

The Government Secretariat noted that millions of Mexicans had been to the polling places to elect municipal chairmen and local deputies in a tangible demonstration of their confidence in the national institutions led by Miguel de la Madrid. Federal officials gave the citizens full guarantees to exercise their civic rights and the people confirmed their endorsement of democracy and their pledge to the nation by casting their votes.

The communique stated that "these elections were highly satisfactory because they marked the rejection of practices which are not in keeping with sound electoral processes." The peaceful and free elections also marked a step forward in the Mexican democratic life, a steady improvement of political institutions, and the growing maturity of both parties and citizens.

PRIVATE SECTOR'S FOREIGN DEBT REFINANCED

PA060132 Mexico City EL UNIVERSAL in Spanish 29 Jun 83 p 18

[By Guillermo Hewett]

[Excerpts] Mexico has signed an agreement with industrialized countries to refinance the private sector's \$2 billion guaranteed foreign debt. Of this total, \$1.554 billion corresponds to principal and interest due between August 1982 and December 1983, and \$450 million corresponds to commercial transactions payable in 1984.

The Mexican private sector's medium-term foreign debt has now been consolidated from thousands of foreign creditors and as many debtors in our country to a bilateral relationship between the government of the country involved and the Mexican Government through the National Bank of Foreign Trade [BANCOMEXT] or the National Financing Corporation [NAFINSA]. Debtors will pay in Mexican pesos.

According to the agreement signed in Paris, 90 percent of the payment of principal and interest on some \$600 million in medium- and long-term credits due on 30 June 1983 will be refinanced for an additional 6 years, with a 3-year grace period. This amount will be paid in six equal, consecutive, semiannual installments starting in December 1986 and ending in June 1989. The remaining 10 percent of the amounts due on 30 June will be paid in cash in September 1983 through BANCOMEXT or NAFINSA.

Short-term credits (originally obtained for a term of less than a year), including principal and interest due on 30 June 1983, for some \$550 million, will be repaid in the following manner: 5 percent on 30 September 1983, 5 percent on 30 June 1984, 30 percent on 30 June 1985, and 60 percent on 30 June 1986.

The payments corresponding to 1984 for approximately \$450 million, most of which are medium- and long-term credits, will be renegotiated at the end of 1983. The \$70 million in short-term debt falling due between July and December 1983 will be repaid normally according to the Treasury and Public Credit Secretariat.

Mexico signed the agreement with the FRG, Austria, Belgium, Canada, Denmark, Spain, the United States, Finland, France, Italy, Japan, Norway, the Netherlands, the UK, Sweden, and Switzerland. This agreement is the result of the joint work carried out by the Treasury and Public Credit Secretariat and the Patrimony and Industrial Development Secretariat.

Either BANCOMEXT or NAFINSA will be the Mexican enterprises' new creditors thus replacing foreign creditors. This will allow the Mexican enterprises to pay their debts in Mexican pesos. Instead of being payable immediately or on demand, their debts can be repaid at medium term, on the same terms that BANCOMEXT or NAFINSA will have to repay the foreign debt; that is, 6 years for long-term debts or 4 years for short-term debts.

The private sector's unguaranteed foreign debt is being renegotiated through the Trust for the Coverage of Exchange Risks (FICORCA).

Through BANCOMEXT and/or NAFINSA, each creditor country will grant Mexico a foreign currency credit on terms similar to those agreed upon for the refinancing of the foreign debt. With these resources, either BANCOMEXT or NAFINSA will repay all the debts due or to come due in 1983 of the original creditors' guaranteed private debt, thus liquidating this debt in its entirety.

PRT WARNS AGAINST 'BOURGEOIS ALLIANCES' OF PAREDES

PA061850 Panama City YA in Spanish 6 Jul 83 pp 1, 12

[By Lisette Carrasco]

[Text] The members of the Revolutionary Party of the Workers [PRT] feel that the People's Party [PdP] members would be "politically nearsighted and simply political opportunists" were they to join bourgeois oligarchic alliances that harm the working classes, as advocated by General Paredes.

A letter sent by PRT Secretary General Dr Egbert N. Wetherborne to the leaders and members of the PdP -- who, despite the fact that they are opposed to the statement made by General Paredes in Costa Rica, support his candidacy for the presidency -- states: "PdP comrades, instead of being a tactical government position, as some of you maintain, the bourgeois unity candidate's posture proclaims what is already practically a government program and will certainly be the next administration's government program."

The message, dated 4 July 83, tells the PdP that the ranking Panamanian military officer leans toward the "Reagan chorus," which serves counterevolutionary purposes.

The PRT secretary general states in the final part of the message: "PdP comrades, we invite you to a dialogue, so that we may discuss the creation of a popular alternative by which, along with the Workers Socialist Party comrades, we can channel all of our efforts toward the pursuit of united actions with strategic prospects."

FOREIGN MINISTER SUPPORTS PAREDES IN INTERVIEW

PA060420 Panama City Televisora Nacional in Spanish 2300 GMT 5 Jul 83

[Interview with Panamanian Foreign Minister Juan Jose Amado by Diana Arosemena on 5 July in Panama City -- recorded]

[Text] [Arosemena] Foreign Minister Amado, first I would like to know what the Foreign Ministry's position is on General Paredes' statements as the National Guard commander in chief. To our understanding, the country's foreign relations are a matter that the president of the republic, through the Foreign Ministry, must decide. How then would you explain this situation?

[Amado] Yes, Diana, I think your observation is very important. Let us begin with the principle that the government is made up of a team of civilians and military, of professionals from various fields. It is a team that works harmoniously to develop the policies established by the Executive Branch.

In the particular case of the unrest created by Gen Paredes' statement, I must explain that Gen Paredes is the commander in chief of our only armed institution and that he also holds a high position within the consultative structure of the Panamanian state. His statement is the result of conversations at the level of the Executive Branch; in some way his statement echoes many concerns on the Central American situation that the government maintains within its operational structure.

[Arosemena] You said that Paredes' statement echoes consultations with the Executive Branch. Should we, then, say that this is the policy of the Executive Branch?

[Amado] It echoes the Executive Branch's concern because we are highly concerned with the Central American situation. We are aware that the diplomatic efforts are not progressing at the same rate of speed as the military action. We are aware that each day the responsibility

and possibility of dialogue is getting out of hand and that the arms buildup is greatly increasing in each Central American country. This concern also has to do with our national security. Panama is not too far from the strife-torn and violent center in Central America. Panama also has to look after its political stability and to see that peaceful coexistence and a democratic regime are maintained, not by fear or by force, but by a genuine belief of its citizens and neighbor countries, that it is necessary and proper to live in peace.

[Arosemena] In his statement Gen Paredes mentioned the possibility of severing relations with Cuba and Nicaragua, if necessary. In recent years Panama has played an important role as catalyst and mediator in the area conflict. Panama has also played an outstanding role in international forums. How does Paredes' statement conform to what Panama has represented?

[Amado] Diana, we all agree that diplomacy in the relations among the peoples, to facilitate understanding, to talk and communicate, is the most effective instrument to deal with and take care of the countries' problems. It is one of the most effective means to solve critical problems that can come up at any moment. However, it is necessary to understand that when the capacity to hold a dialogue decreases, when the limit of tolerance is reached and communication is no longer effective due to an arrogant attitude or by repressive actions, or when you have complementary actions of illegal arms trafficking among nations, when the attitudes and activities violate the sovereign rights of countries, it is time for diplomacy to give way to other means of resolving conflicts. We must not permit the countries' security, the tranquillity of society, and the stability of groups promoting the country's development to be under constant threat to the point of altering peaceful coexistence. It would be an act of irresponsibility by a state not to face these facts. We would like to continue working according to diplomatic channels. We will continue trying to work according to this plan. However, we must realize that in order for diplomacy to be effective, it must be the result of a reciprocal attitude. Understanding and tolerance must have two sides: give and take. We hope that our diplomatic activity will enable us to continue handling relations with Nicaragua, Cuba, and all the hemisphere's nations.

[Arosemena] Foreign Minister, through Gen Paredes, Panama has proposed the alternative of a multinational force. Costa Rica tried the same, through the United Nations, but failed. How does the Contadora Group feel about this?

[Amado] The Contadora Group has discussed the Central America problem and never has suggested solutions that can damage the sovereignty or the rights of any country to find the means to solve its own problems. Nevertheless, we have been stressing the need to stop the arms buildup in Central America. We have been issuing strong warning about reducing the arms buildup capacity of the Central American countries. The arms buildup is the product of foreign influence on a peaceful region like ours. I say foreign influence, because none of the Central American countries produces weapons. I dare say that perhaps today the highest weapons inventory per capita is in Central America. The Contadora Group has mentioned the need to control the military actions, but we must have a mechanism of control. This mechanism should be accompanied by other activities to overcome the obstacles of political nature of each of these countries and also the economic problems with well-defined assistance from industrialized countries and also with a Central American integration process. We have also mentioned the need to take care of the social problems in those countries. But the political, economic, and social aspects must be able to count on an international plan, because the affected countries do not have sufficient financial or natural resources to solve the crisis of the war in a short period. In order to overcome this situation, these countries must have international aid, whether from an integration peace group, a peace force, or an assistance organization that takes care of basic health needs, poverty, and hunger; that begins to channel human resources toward production in order to overcome the crisis. We consider this group an

immediate need so that the people can find again their own path and peaceful coexistence.

[Arosemena] All that sounds beautiful, but has Panama officially notified the other three Contadora Group countries of this initiative, of this alternative to a multinational force? If so, how have they taken it?

[Amado] These actions are the results of a series of views and talks. They are not improvised actions. They are the result of an analysis of the Central American situation. This situation, even if we have good intentions, is something to worry about. It is very serious and complex; it requires the effort, not only of the Contadora Group, but of the international community, such as the EEC and other countries of the hemisphere, besides those of the Contadora Group. If the idea submitted at this moment, to begin increasing the aid to Central America, is well received -- not only by the Contadora Group which has its own limitations, but also by the international community -- I think we will have taken a positive step in helping the Central American countries with their problems.

[Arosemena] Until recently, Panama acted in international forums in support of the idea that the Central American crisis was the result of social injustice. Now, however, we are referring to East-West confrontation. Is this a change, a turnabout in Panama's attitude? How do you explain this?

[Amado] Diana, we are still very much aware that the Central American problem is the result of the people's eagerness to solve their economic problems, to undertake social improvements and to secure popular participation in government. We know this. What we want to avoid is having that eagerness, the citizen's noble aspirations to improve, misinterpreted and channeled along a path that is obviously one of East-West confrontation. We want to clearly separate the Central American issue from the influence of the two biggest powers. This is because any solution we find, in terms of an agreement between those powers, will not meet this area's needs. This confrontation has not improved the area's social conditions or economic development, and it doesn't meet the political aspirations of the people. We do not want improvised solutions for Central America, but we don't want imported solutions, either. We seek solutions that are specific to each of the Central American peoples, so that, in their efforts to improve, they may find the best mechanism for peaceful coexistence among all citizens.

[Arosemena] Do you think that Panama's new position will have any effects on Vice President Jorge Illueca's candidacy for the presidency of the UN General Assembly?

[Amado] I don't think so, Diana, because Panama's position always adheres to the principles contained in the UN Charter, including respect for the rights of every country, nonintervention in other countries' internal affairs, no discrimination among peoples, and respect for the borders and decisions of other countries. If we are making an effort, we are doing it with the best intentions of contributing to peace in Central America and not with the idea of meddling in other countries' internal affairs. We have made some suggestions, but at the same time we have been very cautious and respectful of every Central American country. We have tried to ensure that solutions to their differences result from the action of the countries themselves. Such has been the case with the differences between Nicaragua and Costa Rica. It is these countries themselves that are working, with a spirit of understanding and cooperation, to solve their problems. We would like to see a similar attitude between Nicaragua and Honduras and among the Salvadoran people, but this depends on each of the parties involved. We can contribute by supporting their efforts, but we cannot impose any formulas.

[Arosemena] A last question: In your opinion, does Panama continue in its nonaligned position?

[Amado] Certainly; Panama has not changed its international policy.

[Arosemena] Thanks. You have just heard Foreign Minister Amado.

COSTA RICANICARAGUAN MINISTER REPORTS COSTA RICANS' ARREST

PA061710 San Jose Radio Reloj in Spanish 1200 GMT 6 Jul 83

[Text] Costa Rican Foreign Minister Fernando Volio received a note from Nora Astorga, the acting Nicaraguan foreign minister today, in which he is notified of the arrest of three Costa Ricans in Nicaragua. The note from the Sandinist regime has identified the arrested as Miguel Angel Mejia Ampie, Martin Alexis Jarquin Oporta, and Gabriel Gerardo Jarquin Oporta. None of them was carrying documentation.

According to the note from the acting Nicaraguan foreign minister, the arrest took place in the (El Papaturro) area, across from Los Chiles and Upala.

In his reply, Foreign Minister Volio said that he hopes that those who were arrested will be promptly returned to Costa Rica as soon as their nationality is confirmed.

EL SALVADOREXTREMIST ATTACK AGAINST AGUILARES FAILS

PA050049 San Salvador Radio Cadena Central in Spanish 1800 GMT 4 Jul 83

[Text] On Saturday, approximately 500 extremists attacked the strongholds and guard posts of the civil defense of Aguilaes. Several of the attackers were killed and wounded in the intense shooting, according to military sources. According to reports, the leftist attack began at 0300 against the guards of the bridge over the Acehuate River at Km 31 on the main northern highway. Other guard posts on the same highway were attacked almost simultaneously near Giron.

Soldiers said that the shooting was intense and that the extremists urged the soldiers to surrender, promising that their lives would be spared. The source said this was a psychological tactic to frighten them. The extremists did not achieve their purpose and had to flee. The civil defense reported that soldier Victor Leyba Escobar was killed when an RGP-2 round hit a wall in front of him. Soldier Desiderio Castellano was wounded. It was reported that the insurgents sustained many dead and wounded.

ARMY ON LOCAL GUERRILLAS' LINKS WITH SANDINISTS

PA061550 San Salvador EL MUNDO in Spanish 4 Jul 83 p 23

[Bulletin issued by the Salvadoran Armed Forces Press Committee in San Salvador on 1 July 1983: "A Single Army: The Goal of Sandinist Militarism"]

[Text] The terrorist groups that are operating in El Salvador are basically trying, through Joaquin Villalobos and the People's Revolutionary Army (ERP), to modify the guerrillas' role in the country's internal conflict. They are trying to turn the FMLN into the closest thing to an established people's "army."

In mid-June, during the "swearing-in" of a group of fighters in Nicaragua's Chinandega Department, Villalobos stressed that the FMLN "has now set more ambitious goals for itself." He added that new military campaigns, with which to launch a new phase in the struggle, have been planned.

Some factors indicate that Villalobos is gambling on the political-military tension in Central America, because he has announced that "the nature of our war will probably change and we will head toward a regional war."

The Salvadoran guerrillas are currently not responding to the nation's problems. Instead, they have become a vanguard battalion for the Sandinist regime. Managua's attitude is not one of support for a supposedly oppressed people, but of support for a group used to destabilize democratic governments.

With Cuba's support Sandinist militarism is also provoking other Central American countries: Honduras and Costa Rica.

Costa Rica, which is considered one of the most stable democracies in the Americas, has frequently denounced the violation of its territory by Sandinist elements. "In May of this year, two armed elements from the Sandinist People's Army [EPS] who, according to their own statements, 'were not familiar with the terrain,' were captured in Costa Rican territory after presumably crossing the border in pursuit of 'counterrevolutionaries.'" They also said that a war at the Central American level could explode at any moment.

"Meanwhile, Honduras has denounced Nicaraguan actions against its sovereignty, including the dispatch of men and arms through a ground corridor in Honduras.

"Residents of the Honduran towns of Santa Maria, Concepcion, and El Triunfo, near the Nicaraguan border, have reported the existence of this corridor, which is part of the aid that the Nicaraguan regime gives to the Salvadoran terrorists, who thereby obtain supplies and all kinds of reinforcements. In addition, the guerrillas declared war on the Honduran Army last year, after which they staged frequent raids into that country, even attacking Honduran towns. Furthermore, we must remember the sabotage of electric lines last year, which left Tegucigalpa in a blackout for a week. The FMLN claimed credit for this action.

The Sandinists' support for their "Salvadoran companeros" has long been evident: It suffices to recall the aborted "final offensive" of January 1981.

At that time, Nicaraguan stations, anticipating the event and taking a guerrilla victory for granted, broadcast messages in which they made it obvious that they had prior knowledge of the FMLN's failed plans. The same was true of Cuban stations.

"Observers note that further evidence of Nicaragua's intervention in El Salvador is the installation of the clandestine Radio 'Venceremos' in the Nicaraguan department of Chinandega.

"During the celebration of the first anniversary of the 'Nicaraguan revolution,' the Sandinists organized a parade in which they displayed their full arsenal, shouting 'a single army.'"

On that occasion, Maurice Bishop, prime minister of the pro-Cuban Grenada regime, said in his speech: "We will no longer be talking about a revolutionary Cuba and a revolutionary Nicaragua, we will be talking about a revolutionary El Salvador, Guatemala and Honduras."

"According to observers, the 'single army' decision emerged at that rally. "It was at this moment that the FMLN'S denationalization scheme was implemented. The process led to the desertion of ERP Commander Alejandro Montenegro; the 'purging' of Commander Ana Maria and 'Comandante Marcial'; the accession to power of Joaquin Villalobos -- blamed by his comrades for the murder of Roque Dalton, Melida Anaya Montes, and Salvador Cayetano Carpio -- and the attempt to transform the FMLN into an EPS 'regular battalion' in the region."

#### COPREFA CONDEMNS ANTICOMMUNIST ARMY ACTIONS

PA061628 San Salvador Radio Cadena YSU in Spanish 1800 GMT 5 Jul 83

[Communique issued by the Salvadoran Armed Forces Press Committee (COPREFA) in San Salvador on 5 July -- live relay]

[Text] In view of the wave of murders that has taken place in the last few days, for which various groups have been claiming responsibility, COPREFA declares the following:

1. It opposes any kind of criminal action that will bring further mourning to Salvadoran families and that take advantage of the difficult situation prevailing in the country.
2. It condemns all groups that take justice into their own hands to kill anyone, regardless of the victim's political inclination or ideology.
3. It specifically condemns the so-called Salvadoran Anticommunist Army, the clandestine organization that claimed responsibility for the murder of a man and a woman whose bodies were discovered last Saturday in a hotel parking lot.
4. COPREFA reminds these groups that there are laws and procedures for judging any kind of crime, and that it is on the basis of these laws that one is judged guilty or innocent.

In regard to reports of the temporary arrests of certain citizens, which are based on legal procedures, and in view of frequent speculation by some institutions about these procedures, COPREFA declares the following: 1. Ricardo Ernesto Calderon, secretary general of the University of El Salvador, is under arrest by the National Police, on the basis of the legal authority to which this institution is entitled by law. COPREFA will issue a report on this in due time.

2. This situation is the best guarantee of his personal security [words indistinct], as, in addition to regulations, it establishes controls over the security corps.
3. Calderon's future status will be based on the results of the investigation conducted by the National Police, which will determine if he will be tried or released.

#### GOVERNMENT REFUSES TO MEET AMNESTY INTERNATIONAL

PA050029 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 4 Jul 83

[Text] The three members of Amnesty International who are visiting the country today persisted in their attempts to meet with government officials, it was learned this morning.

They have repeatedly asked Foreign Minister Fidel Chavez Mena for a meeting to explain the purpose of their visit. In spite of their requests, they have not achieved their objective. The government has refused to meet with the delegates, who will leave the country on 6 July for Costa Rica, where they will continue their human rights investigations.

PEACE COMMISSION MEMBER CITES AMNESTY RESULTS

PA060224 San Salvador Radio Cadena YSU in Spanish 1200 GMT 5 Jul 83

[Interview with Msgr Freddy Delgado, member of the Amnesty Commission, by Alberto Barrera; date and place not given -- live or recorded]

[Excerpt] [Barrera] Monsignor Delgado, we know that so far; the amnesty law has benefitted 683 people. We would like your opinion on the work accomplished by the Amnesty Commission, of which you are a member.

[Delgado] I think it has been positive because the amnesty law's objective is to try to achieve a climate for pacification. Mutual agreement is necessary to achieve pacification; understanding is necessary to arrive at a mutual agreement. The amnesty law is intended to generate this understanding among all Salvadoran citizens so that we may welcome in a calm and positive way all those who wish to eschew violence in order to begin a peaceful, quiet life.

Speaking of the political prisoners who have been freed -- 454 from La Mariona and 81 women from the Ilopango jails, for a total of 535 so far -- we have tried to help those who wish to accept the offer of amnesty. We have invited friendly embassies to grant them asylum. Canada and Australia have both agreed to cooperate. The two embassies have set up offices right here at the Peace Commission and have interviewed several candidates for asylum. Two groups have already left; a third group will soon leave for Canada, thus completing the first phase. I believe a larger group will leave some time afterward.

Furthermore, 148 people -- 108 men and 40 women -- who were not in jail have voluntarily come forward to accept the amnesty offer. They include several former combatants who have decided to lay down their weapons because they are tired of violence and want to live and work in peace. We will try to make a farm available to them through the ISTA [Salvadoran Institute of Agrarian Transformation]. They will be transferred shortly so that they can live a normal life. In this manner, we think we have respected their desires, based on a free option. We have offered them a suitable environment consonant with their decision to eschew violence.

PEACE COMMISSION TO MEET WITH FMLN-FDR

PA061400 Managua Radio Sandino Network in Spanish 1200 GMT 6 Jul 83

[Text] San Salvador -- The Salvadoran Peace Commission will meet with FMLN-FDR representatives in Mexico or Costa Rica next week. The announcement was made by Francisco Quinonez, the Peace Commission's coordinator. Though he did not reveal the exact date and place of the meeting, or the names of the guerrilla representatives who will participate, he did state that the meeting will not take place in El Salvador.

Quinonez said that after several indirect contacts with the rebel groups, who had declined the offer on previous occasions, they have now agreed, for the first time, to hold talks with the commission.

Quinonez, who will participate in the talks, said: We are willing to hold talks with these groups, in order to incorporate them in the democratic process, particularly in the electoral process that will be held by the end of this year. He rejected the possibility that Senator [as heard] Richard Stone will act as a mediator at the meeting. However, he acknowledged that the Peace Commission's objectives are similar to those of the U.S. envoy. According to diplomatic sources, Ambassador Stone will arrive in El Salvador next Thursday and will travel to Costa Rica from there.

Comments on Dialogue With Rebels

PA062022 San Salvador LA PRENSA GRAFICA in Spanish 6 Jul 83 pp 3, 33

[Text] "We are willing to hold a dialogue with the GDR and FMLN leaders about their participation in the next elections," Francisco Quinonez of the Peace Commission has told the national press. Quinonez made the statement at the Constituent Assembly, where he arrived to present a bill for the Salvadoran Popular Party, PPS, which benefits residents of the eastern region.

He once again called on all of the country's sectors, including the guerrillas, to participate in the process of democratization." If the FDR leaders want to hold a dialogue on their participation in the next elections, we are willing to go wherever they wish to explain the objectives to them and to listen to their requests, in terms of participation in the elections," Quinonez said.

Asked if he thinks that the elections will bring peace, he replied that the achievement of peace is a complex matter that has several facets, and that no single action will achieve peace as a result. "For example," he explained, "there are some who believe that a dialogue will bring peace, but a mere dialogue that includes propaganda objectives will not contribute to peace. The elections will not bring peace, but they will help us to achieve it, because peace is slowly but surely achieved through the process of democratization. In other words, democracy will lead us to the peace that all Salvadorans want."

FMLN-FDR WANTS DIALOGUE WITH AMBASSADOR STONE

PA070415 Paris AFP in Spanish 2158 GMT 6 Jul 83

[Text] San Jose, 6 Jul (AFP) -- The Political-Diplomatic Commission of the Salvadoran opposition fronts today reiterated their willingness to hold conversations with Richard Stone, U.S. Ambassador at large for Central America. Stone is scheduled to arrive in San Salvador tomorrow, Thursday. Nevertheless, the FMLN and the FDR have rejected Stone as a mediator between the Salvadoran Government and the opposition groups.

"We do not believe in resorting to the United States as a mediator, because the United States is playing an important role in the conflict, thus making it a part to that conflict," the FMLN-FDR Political-Diplomatic Commission said in a communique. "Our fronts believe that important issues pertaining to the solution to the Salvadoran conflict should be discussed with the U.S. Government; therefore, we are reiterating our proposal for a dialogue without previous conditions with Mr Stone," the FMLN-FDR Political-Diplomatic Commission said in its communique.

According to Jorge Villacorta, the FDR's representative in San Jose, Stone is going to San Salvador to promote a meeting between the Peace Commission, an organization the government created last March, and members of the opposition.

FMLN ISSUES COMMUNIQUE ON U.S. EMBASSY ATTACK

PA070225 Panama City ACAN in Spanish 0125 GMT 7 Jul 83

[Text] San Salvador, 6 Jul (ACAN-EFE) -- A newspaper in this capital carries today an alleged guerrilla communique which says that Colonel Jose Angel Avendano, a military court judge, was wounded on 27 June by the Marines guarding the U.S. Embassy in San Salvador. The judge was allegedly wounded at the same time that the rebels were attacking the diplomatic mission.

In its communique, the FMLN says that Col Avendano was passing by when the embassy was attacked, and that he pulled out a submachinegun in response to the guerrillas' attack. However, "the Marines on duty at the embassy took Avendano for one of our guerrillas and wounded him in the leg and chest."

According to unofficial reports circulating the day of the incident, Col Avendano was going to be kidnapped but he fought the kidnappers off.

Meanwhile, official sources didn't link the attack on the embassy with the attack to Avendano. Like U.S. officials here, those sources have always said that neither the Marines nor the Salvadoran security personnel answered the rebels' attack. No one was wounded in the attack on the U.S. Embassy. The attack was attributed to rebels of the People's Liberation Forces, FPL, who used submachineguns and grenade launchers.

GUATEMALAMINISTER REPORTS PRESIDENT'S SISTER KIDNAPPED

PA062230 Panama City ACAN in Spanish 2212 GMT 6 Jul 83

[Excerpt] Guatemala City, 6 Jul (ACAN-EFE) -- Government sources revealed today that a sister of the president, General Efraim Rios Montt, was kidnapped last Wednesday. This afternoon the interior minister, Colonel Ricardo Mendez Ruiz, officially confirmed that Marta Elena Rios Montt had been kidnapped by a group of armed men who intercepted her as she left a school in Zone 7 in eastern Guatemala City where she works. The kidnapping of the president's sister occurred the same day that the military regime, after several weeks of political crisis and serious threats of a coup d'etat, declared a "state of alarm" on Wednesday 29 June.

Neither the name of the group holding Marta Elena Rios Montt nor the demands for her release have been revealed. According to the minister, the president's sister is 5 months pregnant. Col Mendez Ruiz added that so far the kidnappers have not contacted her relatives to make their demands known.

More on Kidnapping

PA062333 Panama City ACAN in Spanish 2318 GMT 6 Jul 83

[Text] Guatemala City, 6 Jul (ACAN-EFE) -- The Guatemalan Government today labeled the kidnapping of President Efraim Rios Montt's sister a "flagrant violation of human rights." In a communique the military government said that "the crime is especially condemnable because it affects a woman in an advanced state of pregnancy."

Marta Elena Carlota de Rivas (who was initially identified as Maria Zenia), is an elementary school teacher. She is 35 years old and 5 months pregnant with her first child. She was kidnapped by four heavily armed men as she was entering a drugstore to buy medicines. She was accompanied by a friend.

According to the government's report, the drugstore is located in Zone 7 of Guatemala City, close to the school where she works. The president's sister was kidnapped on Wednesday, 29 June, at 1210 (1710 GMT). Earlier that same day the government called for a television network to announce the establishment of a "state of alarm" and restrictions on the citizens' freedom and on the communications media.

So far the kidnappers have not contacted the victim's family, according to an official spokesman. The official added that historian of the UN Human Rights Commission, Lord Colville, was informed of the incident during his visit to the country last week. The government's official communique stated that Marta Elena Carlota Rios de Rivas was under special medical treatment due to her pregnancy.

#### STATE COUNCIL CONSIDERS 'STATE OF ALARM' MEASURE

PA062156 Panama City ACAN in Spanish 2010 GMT 6 Jul 83

[Text] Guatemala City, 5 Jul (ACAN-EFE) -- While Guatemala's State Council is considering suggesting that the president modify the "state of alarm," one of its members today described the measure as "excessive."

Cesar Augusto Toledo is a member of the State Council subcommittee in charge of reviewing the problems faced by labor organizations under the current state of exception. Toledo said that the measure is "excessive" because the law on public order does not contemplate the restriction of specific citizens rights. Toledo said that this law, which regulates states of exception, does not infringe upon the rights of petition, habeas corpus, and free expression of thought, among others.

The councilman said that an individual's arrest must not be kept secret even if some type of state of exception is in effect. The "state of alarm" grants the authorities special powers in dealing with people who in some way "tend to jeopardize social peace and state security."

State Council President Jorge Serrano Elias noted that the committees are exhaustively and rapidly discussing all restrictive measures imposed by the government in order to make recommendations to President Efraim Rios Montt.

Serrano Elias said that the aim of the suggestions is twofold: First, "to ensure that the country's political organization will not be interrupted," and second, "to avoid hindering the operations of trade union organizations."

#### ANALYSIS OF MILITARY DISCONTENT WITH REGIME

PA050000 Paris AFP in Spanish 2235 GMT 4 Jul 83

[By Conzalo Marroquin]

[Excerpts] Guatemala, 4 Jul (AFP) -- Guatemalan military sectors' discontent with President General Efraim Rios Montt today took aim against the president's principal civilian advisers, it was learned from government sources.

Officials consulted by AFP indicated that the pressures -- which stem from the "moderate" groups that want gradual changes and the "radicals" who want a coup d'etat -- seek to undermine the president's power.

After achieving a change among the military advisers, they are now attacking his principal civilian advisers, state secretaries Francisco Bianchi and Alvaro Contreras.

The source consulted, who chose to remain anonymous, confirmed that the political crisis of the government is due solely to the position adopted by a group of military commanders and not to maneuvers by political groups. According to military spokesmen, this group wants to undermine the president's power through personnel and policy changes, with the aim of stopping a polarization of currents within the armed institution.

However, the same sources indicated that "they have not yet ruled out the possibility of a coup d'etat," which might be staged by radical military sectors, mostly connected with political parties.

At the national palace, the seat of the government, activity appeared normal, but it was learned that "the pressures continue," now against Bianchi and Contreras, the president's private secretary and secretary for personnel matters, who are regarded as two of the most influential men of the current regime.

Both are "veterans" of the Christian sect called "The Word," to which Rios Montt also belongs, which authorizes them to "spiritually protect" their fellow church members, including President Rios Montt.

According to official sources, Contreras has "the most influence" over the president, but he is also considered the "most conflictive" in the current situation.

For their part, the military men pressuring the government are trying at least to minimize the field of action of these two presidential secretaries, who according to ranking officials "are covering too much field." The discontented sectors are also attempting a "demilitarization" of the state apparatus, and have already managed to arrange for 50 military men who held public posts to return or prepare to return to their garrisons.

It is also known that there are pressures to accelerate the electoral process and for changes to be made to the government's tax reform, but these appear to the topics for discussion in the medium term.

A group of moderate military men wants Rios Montt to remain in the presidency, but without the power he has had up to now, while radical group wants a coup d'etat in order to accelerate the call for elections, it was learned from military sources.

#### PRESIDENT REJECTS SECRETARIES' RESIGNATIONS

PA061908 Guatemala City EL GRAFICO in Spanish 6 Jul 83 p 4

[Text] Official sources, who asked to remain unidentified, told EL GRAFICO yesterday that Alvaro Contreras Valladares and Francisco Bianchi, secretaries of the presidency, have presented their resignations to President Rios Montt.

Alvaro Contreras is private secretary of the presidency and Bianchi is the secretary for personal matters.

However, the sources told EL GRAFICO that President Rios Montt has not accepted the resignations. The sources also said that journalist Rafael Escobar Arguello, public relations under secretary, has placed his post at the disposition of President Rios Montt. The reports from the official sources could not be confirmed, since it was stated that Public Relations Secretary Gonzalo Asturias was at an important meeting.

#### GOVERNMENT AUTHORIZES PUBLIC, PRIVATE MEETINGS

PA061655 Guatemala City Domestic Service in Spanish 0400 GMT 6 Jul 83

[Text] Public or private meetings held without the intention of disturbing the peace or state security are authorized unless the authorities decide that this is not the purpose of a particular meeting. This is stated in government agreement 452-83 issued by the Government Ministry. [Passage indistinct] In line with this, the authorities will watch for compliance so that meetings held in the national territory are not used to disturb the peace.

#### HAVANA CITES DEMAND FOR RELEASE OF UNION LEADER

FL061247 Havana Domestic Television Service in Spanish 1140 GMT 6 Jul 83

[Text] The Guatemala National Revolutionary Unity [URNG] has called on all workers worldwide to demand the immediate release of Manuel Contreras, a prominent personality of the international labor movement and a leader of the Autonomous Trade Union Federation of Guatemala. The URNG statement says Contreras was detained by police agents of the Rios Montt regime a month ago in southern Guatemala while surreptitiously organizing union activities.

The statement adds that despite repeated demands made by relatives and union organizations, there has been no information about Contreras' whereabouts since the time of his detention. The URNG asks Guatemalan patriots to urge all world progressive and democratic forces to do whatever they can to force Manuel Contreras out of the dungeons of the military dictatorship.

#### HAVANA CITES REBEL ACTIONS, OCCUPATION OF TOWN

FL061526 Havana Domestic Service in Spanish 1100 GMT 6 Jul 83

[Text] The Rebel Armed Forces [FAR] of Guatemala have conducted numerous guerrilla operations in the last few days, according to a communique released by the FAR in San Jose, Costa Rica. Among the operations reported, there was the taking of an important leg of the Flores-(?Poptun) highway in central region of the country, and the occupation of the town of (Chaquí), where the rebels held a meeting to explain the objectives of their struggle.

#### HONDURAS

#### PRESIDENT IN HOUSTON FOR MEDICAL CHECKUP

PA070341 Tegucigalpa LA TRIBUNA in Spanish 6 Jul 83 p 3

[Text] The 14 secretaries of state that make up the Council of Ministers yesterday assumed responsibility for running the country during the absence of President Roberto Suazo Cordova. The president is in Houston, Texas, for a medical checkup

Oscar Mejia Arellano, government and justice secretary, confirmed yesterday that President Suazo left for Houston for a medical checkup. He added that while the president is out of the country, the council of ministers will assume the president's administrative duties.

Mejia Arellano said he did not know how long the president of the republic will stay in the United States. "I suppose he will not stay more than 15 days; otherwise, he would have asked Congress for permission," he said.

Meanwhile, it was learned at the Presidential House that President Suazo will return this weekend and that he is just having a routine medical checkup.

Mejia Arellano was at the Presidential House this morning taking care of some administrative duties to keep things running smoothly during President Suazo Cordova's absence.

As will be recalled, President Suazo Cordova had a medical checkup last year in Houston, Texas, after his official visit to Washington, where he was received by President Ronald Reagan and top U.S. Government officials.

#### ARMY ON ALERT AGAINST POSSIBLE SUBVERSIVE ACTS

PA061650 San Pedro Sula LA PRENSA in Spanish 5 Jul 83 p 3

[Text] Tegucigalpa -- Since the weekend, the Honduran Army has taken the necessary precautions against the possibility that the local radical leftwing may carry out subversive actions.

A year ago, guerrillas, encouraged by the Nicaraguan and Cuban Governments, staged a very condemnable attack, destroying the Tegucigalpa electric powerplants. The criminal action left the city without power for more than 4 days, and losses were estimated to be huge.

The national army took all possible precautions to prevent the repetition of those actions, which are rejected and condemned by the people in general. Since the weekend, bridges, government buildings, and other possible targets of the criminals are under military protection.

LA PRENSA has been told that the state security forces have reports indicating that the Honduran extremists were planning subversive actions, and that the protection of the people's property probably caused them to cancel or suspend their destructive plans. The same source indicated that the national army is ready to provide the necessary protection to the people to prevent them from being directly or indirectly harmed by the local leftists, who everyone knows have the financing and advice of Cuba through the Nicaraguan Interior Ministry.

#### SALVADORAN PRESIDENT MAGANA TO VISIT 20 JUL

PA060300 Tegucigalpa EL HERALDO in Spanish 5 Jul 83

[Text] Salvadoran President Alvaro Magana will visit Honduras on 20 July, a central government source has said in response to a question. The president of the neighboring country will visit Tegucigalpa to talk with Dr Roberto Suazo Cordova on matters of mutual interest. The two heads of state decided to hold this meeting 5 days, following the meeting of the Central American foreign ministers with those of the Contadora Group (Mexico, Venezuela, Panama, and Colombia).

In another quarter, it was said that the topics which the two presidents are most interested in discussing are the delimitation of the common border, and the strengthening of trade relations. Magana will leave on the same day he arrives in Honduras, after a scheduled 6-hour talk with Suazo Cordova.

GOVERNMENT 'CLARIFIES' PAZ' BELGRADE STATEMENTS

PA301754 Tegucigalpa Domestic Service in Spanish 1130 CMT 30 Jun 83

[Press Communique issued by the International Information Directorate of the National Government; no date or place given]

[Text] The government, after consulting Foreign Secretary Dr Edgardo Paz Barnica, who is on a working mission in Europe, hereby clarifies distorted remarks attributed to the foreign secretary in a press agency report from Belgrade, Yugoslavia.

We inform our people and the international public that Secretary Paz Barnica held a news conference in Belgrade and that at its conclusion, he was asked questions which he answered as follows, with his characteristic responsibility and professionalism:

1. Regarding the aid our country receives from the United States, the foreign secretary said: Honduras maintains cordial relations with the United States without this representing a weakening of its independence and dignity. This is a relationship of cooperation with interdependency and mutual respect. In some aspects, economic aid is insufficient for the country's great needs, but there has been an increase in aid through special programs such as the Caribbean Basin Initiative.

2. Regarding the region's political history, the foreign secretary said that in the past, the United States encouraged some de facto governments, but he noted: Right now, Washington's foreign policy is aimed at giving complete and firm support to the Latin American democracies, as the U.S. attitude of firmly backing the freely elected governments of Costa Rica and Honduras demonstrates.

The government regrets that a usually serious and responsible news agency has so dramatically twisted statements by one of Honduras' most distinguished officials, promoting an image that is not in line with the truth, which measurably harms the efforts the people and government of Honduras are making to promote solidarity among the democracies of the hemisphere as a step necessary for international peace and understanding.

PAZ BARNICA VISITS ROMANIA, MEETS WITH OFFICIALS

For reports on the visit of Honduran Foreign Minister Edgardo Paz Barnica to Romania, including his talks with Romanian President Nicolae Ceausescu and Foreign Minister Stefan Andrei, and the signing of a trade agreement between Honduras and Romania, see the Romania section of the 6 July Eastern Europe DAILY REPORT.

PAZ BARNICA'S ACTIVITIES IN GREECE REPORTED

PA051623 Tegucigalpa Domestic Service in Spanish 1130 GMT 5 Jul 83

[Text] Honduran Foreign Secretary Dr Edgardo Paz Barnica and Ambassadors Ricardo Arturo Pineda Milla and Ivan Romero Martinez visit Greece 2-4 July. In Athens, the Honduran foreign secretary held a long talk with the Greek acting foreign minister and with several other high-ranking officials in the Greek Government and Foreign Ministry. During these talks, the Honduran foreign secretary discussed various issues of bilateral interests, stressing the interest of both the Honduran Government and President Roberto Suazo Cordova in regional peace for Central America, as well as its importance for our government's democratic system.

The Greek acting foreign minister acknowledged these views, demonstrating a clear understanding of the Honduran democratic process and of Honduras' dedication to stable peace in Central America.

It is worth noting that Greece recently became president of the EEC, and that the Central American situation will be discussed at that European body later this week. With this in mind, the high-ranking Greek Government officials stressed the importance of the Honduran foreign secretary's visit and of the talks held with him, because of the opportunity they provided to hear views that will help the EEC review the Central American situation.

In addition, Foreign Secretary Paz Barnica held a news conference for the media and foreign correspondents accredited in Greece at which he reiterated the stand taken by the constitutional Honduran Government in favor of peace, security, democracy, and international cooperation for development, as well as the threat that the Nicaraguan Government poses to peace and to democratic institutions in Central America.

Foreign Secretary Paz Barnica stressed his government's determination to strengthen agreements intended to achieve peaceful, stable, and lasting coexistence in this part of the continent. He also expressed full support for the Contadora Group's peace effort, which seeks a permanent solution to Central America's problems through the development of an agenda that would include the basic regional issues that are currently causing tension in the area.

#### PAZ BARNICA ARRIVES IN ROME ON EUROPEAN TOUR

PA051740 Madrid EFE in Spanish 1610 GMT 5 Jul 83

[Text] Rome, 5 Jul (EFE) -- Honduran Foreign Secretary Edgardo Paz Barnica accused Nicaragua today of "systematically attacking Honduras." The foreign secretary made the remark at a news conference in Rome, after meeting with Italian Foreign Minister Emilio Colombo.

Paz Barnica arrived in Rome from Athens yesterday on a 4-day visit, within his tour of various European countries in an effort to improve Honduras' image.

The secretary denied charges that Honduras supports armed incursions from its territory against the Nicaraguan regime. "It is Nicaragua," he said, "that is systematically attacking Honduras and the other countries of the area, for it wants to promote an armed revolution throughout Central America. Initially, after suffering one of the bloodiest Central American dictatorships, Nicaragua staged a revolution in which we all believed."

"But since 1979," the foreign secretary added, "the Nicaraguan revolutionary process has been hardening toward a Marxist-Leninist orientation that seeks to spread armed revolution throughout the isthmus."

Honduras views the Latin American problems from these four perspectives: peace, security, democracy, and cooperation for development. Those are "our essential objectives, and for this purpose we presented a peace plan for the area in March that seeks a stable and permanent solution."

On the installation of a military training school with U.S. advisers, Paz Barnica said that "Honduras must protect its own domestic security. The right to strengthen one's defense is universally recognized and this is why Honduras has established a military and security training school in Puerto Castilla, away from its borders."

In reply to another question, he said, "It is true that we have 150 U.S. advisers for all of our armed forces, but that number is quite small compared to the 17,000 [as received] that Nicaragua has in its territory. We would be willing to do without them if Managua would do the same." Paz Barnica added that most of the advisers in Nicaragua are Cubans, Soviets, and East Germans and that the 17,000-man Honduran Army is "very small" compared to the "120,000 that Nicaragua has."

Honduras "does not believe in an armed solution for Central America. No nations, and I am speaking of nations and not governments, want war," he indicated. "We do not want extraregional powers to turn Central America into a field of confrontation between two blocs, since the dictatorships of both the left and the right are harmful for the destiny of America," he said.

On Thursday, Edgardo Paz Barnica will be received by Pope John Paul II, to whom he will deliver a message from Honduran President Roberto Suazo Cordova. He will subsequently meet in Paris with French External Relations Minister Claude Cheysson and in Madrid with Spanish Prime Minister Felipe Gonzalez and Foreign Minister Fernando Moran.

#### NICARAGUA

##### STATION COMMENTS ON FDN REQUEST FOR DIALOGUE

PA012018 Managua Radio Sandino in Spanish 1830 GMT 1 Jul 83

[Commentary by Eligio Alvarez: "A Master Plan To Destroy Our Revolution has been Uncovered"]

[Text] In its early morning broadcast today, the Voice of America, VOA, the U.S. Government's official news organ, announced that the Somozist counterrevolutionary organization, Nicaraguan Democratic Forces, FDN, had sent a note to the Contadora Group asking it to intercede with the Sandinist Government to establish a direct dialogue between the two parties.

Everybody knows that this maneuver is merely a part of the vast plan engendered in Washington to invade and if possible destroy the Sandinist revolution in July. A number of concurrent developments confirms this. The appeals for preparation and alertness by the leaders of our revolution denouncing the imminent invasion plans -- which are confirmed by certain FDN leaders and even by President Reagan himself in his speech last night in San Francisco, California -- leave no room to doubt that an immediate invasion plan is underway.

Within the framework of this master plan designed to destroy the Sandinist revolution at any cost, the FDN request to the Contadora Group, disguised [48-second break in transmission] and to warn our revolutionary people to be ready to repel any Somozist attempt to recover power. The past will not return.

##### CONFLICTING CLAIMS ON FIGHTING IN SOUTH REPORTED

PA050206 San Jose Radio Reloj in Spanish 0100 GMT 5 Jul 83

[Text] Managua -- Government forces were engaged in heavy fighting today with rebel forces headed by former Sandinist Commander Eden Pastora in southern Nicaragua near the border town of San Juan del Norte, which the insurgents claim they have seized.

Meanwhile, the other rebel group that is fighting to overthrow Nicaragua's leftist regime has said in Honduras that its men have either killed or wounded 5,000 soldiers in the last 10 months. The rebels' claim could not be confirmed with independent sources, but the Managua Government has said that 500 have died since January of this year.

In the capital, the official newspaper EL NUEVO DIARIO denied that the insurgents commanded by Pastora, better known as Commander Cero, are in control of San Juan del Norte, a town located some 240 km southeast of Managua, near the Costa Rican border. The town is a few kilometers from the Atlantic coast.

The situation in San Juan del Norte is under the control of the Sandinist People's Army, and the counterrevolutionaries are only firing against Nicaragua from their positions in Costa Rican territory, EL NUEVO DIARIO reported, quoting the Defense Ministry as its source. A Defense Ministry source said that there have been many casualties on the part of the rebels during 5 days of fighting.

The spokesman added that the guerrillas were repelled and that they fled in disarray. Captain Bosco Centeno, chief of operations in the south, said that the troops continue [words indistinct] 300 rebels led by Pastora.

#### MEAT EXPORTS SUSPENDED TO MEET DOMESTIC DEMAND

PA061657 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 5 Jul 83

[Text] Commander of the Revolution Jaime Wheelock Roman, agricultural development minister, has explained the reasons for the shortage of meat and has announced the solution of this problem.

[Begin Wheelock recording] First of all, we want to point out that in this period following summer and at the beginning of winter, cattlemen usually do not deliver cattle to the slaughterhouses, because they wait for the first months of winter so that the pastures will grow and the cattle will recover the weight lost during the summer. The lengthy drought has worsened this trend.

What measures have we taken to solve this situation? First of all, we have instructed the slaughterhouses to stop the export of meat. Since the second half of June, the country has not been exporting meat. Meat production is solely for the domestic market. We will not be exporting meat, in order to solve the problem of domestic consumption. [end recording]

#### ORTEGA RAMIREZ ON 'FACE THE PEOPLE' PROGRAM

PA031550 Managua Domestic Service in Spanish 2300 GMT 2 Jul 83

["Face the People" program, with guests Commander of the Revolution Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction of Nicaragua; Dr Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction, and 10 lesser officials; in Jinotepe, Nicaragua on 1 July 1983 -- recorded]

[Excerpts] (Ortega) Today we are holding "Face the People" here in Jinotepe, a few days before the fourth anniversary of the liberation of Jinotepe, because we wanted to remember and pay tribute to the companeros, to the brothers of Jinotepe who fell in the struggle against the dictatorship, as well as to the Sandinist companeros from other towns and cities who also fell here in Jinotepe.

We will commemorate the fourth anniversary of the victory of the revolution, the fourth anniversary of the liberation of Jinotepe, under great pressure from the United States, seriously threatened by the United States, as usual. We have noticed a truly worrisome stand on the part of the U.S. Government. On one hand, they sometimes talk of negotiation -- you know that one of President Reagan's envoys recently visited Nicaragua and other Latin American countries because the United States is allegedly interested in promoting dialogue and negotiation, etc. On the other hand, however, a number of actions have taken place following Mr Stone's visit, and even simultaneously with it, which belie any U.S. interest in promoting a dialogue.

For instance, while Mr Stone was visiting here in Nicaragua, and even as he was making his tour, the United States decided to send advisers and troops to Honduras to establish a military base, where not only Honduran soldiers but Salvadoran soldiers will be trained, along with troops from who knows what other nations, so that they may be launched against the Salvadoran people and kept in reserve for an attack on the Nicaraguan people.

A few days earlier, the United States had also decided to cut down our sugar quota. Now, you have may heard reports that the United States has begun to veto us -- that is, to exercise its right to veto at several international organizations. There are international loan organizations such as the IDB, the World Bank, etc. in which many countries participate. In the IDB, for instance, where a \$1.7 million loan was under discussion, 45 countries voted in favor of granting the loan to Nicaragua. Only one country -- the United States -- did not vote, for had it done so, it would have been at a disadvantage, naturally. Just imagine: 45 to 1. So it vetoed the loan -- which is to say that it made use of its economic strength as a world power to say: Well, we don't approve of granting that loan to Nicaragua. Due to existing internal mechanisms, this was sufficient to ensure that, even though the majority -- 45 countries -- voted in favor of Nicaragua, the loan was not approved.

Commander Victor Tirado announced this the day before yesterday, on Teacher's Day. A report datelined today in Washington -- (?I myself had no) previous information on this matter -- reads as follows: President Ronald Reagan's Administration will oppose the granting of new credits to Nicaragua by either the World Bank or the IDB. This announcement was made by James (?Cohn), director of multilateral affairs at the Treasury Department [name, title as heard]. [Words indistinct] yesterday that the United States had vetoed the disbursement of \$2.2 million, they say here -- this figure is in excess -- which the IDB had already granted to Nicaragua to improve roads in the coffee areas. The credit was being granted by the Special Operations Fund, where decisions must be approved by a two-thirds majority. The U.S. position in this fund is decisive, because it controls 36 percent of the shares. This explains the U.S. veto power in this kind of decision.

The report then explains how they tried to justify, how Mr (?Cohn) tried to explain this position. He said that as of January 1982, after the Sandinists seized power, the United States has opposed five loan requests filed by Nicaragua with the World Bank and the IDB. Most of those loans were approved despite the U.S. objection.

The report adds that (?Cohn) said in a telephone interview that the United States does not yet have a categorical policy of automatic opposition to such loans, and that it studies each individual request on the basis of the belief that the resources must be used efficiently. He said that this is the policy that the United States applies in the case of loan requests. (?He also said) that for various economic reasons the Treasury Department has opposed the granting of loans to countries with which the United States maintains good relations. Several countries are then listed.

According to (?Cohn), if Nicaragua were to change its policy, then they too would change their stand. So we are faced with a political stand by the United States involving the use of pressure and economic blackmail against Nicaragua.

Elsewhere -- either in this same dispatch or in some other that is around here -- the same gentleman says that they are trying to help the Nicaraguan private sector in this way by trying to force the government to change its policy toward the Nicaraguan private sector, to make it more favorable. But with these actions, the United States is really committing an act of aggression against Nicaragua's general economy, since they are attacking both the state sector and the private sector. For instance, when they reduced the sugar quota -- the amount of sugar that they buy from Nicaragua -- they affected the San Antonio Mill, which is a private Nicaraguan concern and a great/and a great/ sugar producer, as it is Nicaragua's largest sugar mill. This mill exports a great/ deal of sugar,/ deal of sugar, nearly a million quintals. So, the private sector is being affected. The United States is affecting the private sector. (?I have just seen) a note that representatives of the San Antonio Sugar Mill they sent to the United States to protest the measure.

As I was saying earlier, they voted against a \$500,000 loan that was to have been used by small and medium-sized producers and farmers in Chontales. The United States vetoed this loan. Now we have the veto of this \$1.7 million loan, which was to have been used to maintain the roads in (Abisinia) and in the Cua Valley. The loan was to have been used for productive activities, for maintaining the roads on which we take out our products.

Then there was another vote against Nicaragua, in which \$18 million were at stake. This money was to have been used by both the JRM, the Managua Reconstruction Junta, and by what was then known as the Municipal Affairs Secretariat, to maintain the streets in Managua and in other towns.

Then there was another vote against granting us a \$34 million loan that was for hydroelectric projects. They could not veto this one, so they simply voted against it. Again, there was another loan for \$35 million, for fishing development. This has been frozen.

So that you may appreciate the difference; in 1979, these multilateral organizations -- they are called multilateral because many countries from all over the world participate in them, and have created a fund by paying a quota; a common fund exists and each country requests loans for various purposes, which are then given to the member countries, be it IDB or the World Bank -- in 1979, as I was saying, these organizations approved \$213 million for Nicaragua. In 1980, this figure dropped to \$170 million; in 1981, the amount decreased even further, to \$123 million; in 1982, it was further reduced to \$34 million. Just imagine, in 1979, \$213 million and in 1982, due to the pressure exerted by the United States, these organizations authorized only \$34 million. In 1983, it has authorized only 21 million. In other words, from \$213 million in 1979, we have gone to \$21.8 million.

During the Somoza era, however, the United States automatically endorsed all requests that the Somozist government made at these organizations. No objections were made then. What were they going to veto? On the contrary, they saw to it that these loans were approved quickly, because they were for Somoza. They knew that Somoza was going to steal that money, but he was their man here in Nicaragua, serving their interests and exploiting and oppressing the Nicaraguan people. Now, under the revolution, we see the U.S. Government take a different stance. Why do we say this? For several reasons.

First, because this situation once again reveals the aggressive stand taken by the United States. As we said earlier, while they talk of negotiations, they attack Nicaragua, not only militarily but economically as well. This is yet further proof, because for a country like ours -- which has many limitations, which is a member of these multilateral organizations, and many of whose programs depend upon such loans -- these blows come very hard. They render the Nicaraguan people's economic situation even worse. This naturally affects the Nicaraguan economy. And it becomes a (?chain reaction), for, as you have already seen, it affects not just one sector of the population, but the Nicaraguan economy in general. As we said earlier, in this way they are affecting not the state sector alone, but our entire economic movement.

When we open a road, no distinction is made as to whether it is to pass through state property exclusively or through private property as well. A road passes through an area and benefits both state and private property alike. Products will be taken out, whether the producer in question is a coffee producer, a cattle owner, or a rice farmer. The road will benefit all alike.

Community services -- the streets, street lights, etc. -- benefit everyone alike. We don't discriminate when a light is to be installed or when water service is to be initiated. We don't ask whether the property is private property, in order to discriminate against it, or whether you support the revolution. These projects benefit everyone. So, they are in fact attacking the entire Nicaraguan society in general.

This should also make you reflect a bit, those who honestly worry along with us, along with the Nicaraguan people and with the Sandinist leaders, because we have been condemning the U.S. Government for taking this stand. They say, why are you attacking the United States? It is barbarian to go around attacking the United States. But we are merely revealing the true situation. We are defending ourselves with our words, with the truth; that is how we defend ourselves.

The truth is that this is an act of aggression, and how can we not denounce these things? How can the people remain ignorant of these acts of aggression? Are we not supposed to remember that the United States always gave loans to the Somoza government, yet now it denies these loans to the Nicaraguan people? This is the reality. That is why an anti-imperialistic feeling -- for theirs are imperialist stands -- is growing among the Nicaraguan people. In other words, this is not a capricious stand, it is not just that we feel like being anti-imperialistic; the U.S. stand is marked by military, economic, and political acts of aggression, aggression of all kinds, and we must react. We cannot stand silent with arms folded, bearing it all. We must condemn this kind of aggression. We must denounce it to the U.S. people, for in the final analysis, the resources that the U.S. Government uses, that the U.S. Government deposits in these multilateral organizations, are not a gift from President Reagan, or from President Reagan's cabinet, or from his advisers. Regardless of how many millions they themselves may have, it is not their money that they deposit in these organizations. The money that goes to those multilateral organizations of which the United States is a member [words indistinct] contributed to those organizations, is money that belongs to the U.S. people. In the case of the other countries, the money belongs to the peoples of those countries, channeled through their governments. So the U.S. Government is administering the U.S. people's resources. And this is a government that was not given elected by a majority of the U.S. people, for only 25 or 26 percent of the U.S. people voted for President Reagan. So the stand taken by the U.S. Government is completely undemocratic.

The only thing left for us to do is to point out this situation and to denounce it. We must say, well, is the United States really interested in holding a dialogue with Nicaragua?

We are seriously interested in holding a dialogue with the United States, but in practice, they have not shown any interest, for one cannot hold a dialogue while clubbing the other party. They want to hold dialogue with us -- they tell us that they want to hold a dialogue -- but in the meantime they club us. They club us militarily, politically and economically. That is not the way to create the best conditions for a dialogue. Naturally, this further aggravates the difficult situation that the Nicaraguan people are currently experiencing. But we are sure that this situation will be overcome, through the people's effort and with international solidarity. International solidarity comes from Latin America, Western Europe, the socialist countries, the Arab countries, etc. In other words, the world's solidarity with Nicaragua is very great and we are sure that we will manage to overcome this situation.

Companera Gladys Diaz of the San Jose neighborhood in Jinotepe, Carazo Department, will now ask a question.

[Diaz] What will our revolutionary government's attitude be toward the new attack by the Honduran puppet government?

[Ramirez] The second part of the companera's question involved the aggression that we are experiencing. We constantly hear the Honduran Army and the civilian government of Honduras -- which merely echo what the Yankee army and government decide to do in Honduras -- say that they are harboring no Somozist guards there. This means that everytime there is an attack on Nicaragua, these guardsmen appear by magic. However, reporters and foreign correspondents are aware that the Honduran border with Nicaragua contains thousands of Somozist guardsmen.

Everyone knows that Los Trojes and Cifuentes, in Jalapa, where the attacks have taken place lately, are full of Somozist guardsmen. Everyone knows that the Honduran Army controls access roads to these two towns and that the civilians there had to flee to other parts of El Paraiso Department and even further into Honduras because they were compelled to give their land to Somozists, who killed their cows and ate them, raped their women, and drunkenly attacked them. Everyone in Nicaragua knows how these guardsmen behave, and they certainly haven't changed. They have the same attitude toward the poor Honduran people. To them, there is no difference between a Honduran peasant and a Nicaraguan peasant. They are the same poor shoeless people.

The Somozists are a true army. They are very well armed and well trained and they operate under the protection of Geneal Alvarez and his Honduran guardsmen. There is also no difference between a Honduran and a Somozist guardsman, for they have been trained with the same repressive mentality. This is why they get along so well. You've seen pictures taken by the Netherlands reporters showing Somozist guardsmen dressed in blue uniforms beside Honduran guardsmen dressed in green.

So, this entire U.S. scheme is being carried out in Honduras, fundamentally, although they are also using Costa Rica for traitor Pastora's forces. One day he says he withdraws and the next day he returns. Thus, he approves his own vacation. [laughter]

These guardsmen are a permanent threat, not only to Nicaragua but to Honduras, as well. Time will prove us right about this.

Time will demonstrate that the worst element of destabilization that the Yankee government could possibly have introduced into Honduras is the Somozist guard. Another element of destabilization is the installation of a Yankee military base in Honduras, where they will train not only Somozist guardsmen -- they will train them there, although they won't announce this to the public -- but Salvadoran guardsmen. This will be another element of destabilization for Honduras.

There has never been a nation, in the history of mankind, that would put up with such foreign intervention. The Honduran people will, therefore, react to the fact that there is a foreign military base in Puerto Castilla being run by Yankee military officers.

Thus, the attack comes primarily from Honduras. It is organized by the Yankee government. But it also comes from Costa Rican territory. As you can see, the situation is becoming increasingly difficult.

The first group of Salvadoran troops to train in Puerto Castilla have already arrived. The Yankees are building military airports in Honduras. They are overarming the Honduran Army. They are giving General Alvarez whatever he wants. He goes to the United States with a list, as one would go to a supermarket, and he gets planes, cannon, military advisers, warships, whatever else he wants. I think that General Alvarez is now playing the role that Somoza used to play: The gendarme of Central America. Alvarez is the new Somoza in Central America.

But since it has been impossible for the Somozist guardsmen to enter Nicaragua -- for whenever they try, they are violently repelled by our armed popular forces -- the guardsmen, the Honduran Army, which supports them, and the Yankee are growing more and more desperate.

You have learned from the media that the Honduran Army is becoming more directly involved in the guardsmen's military operations. Every time that the Somozist guardsmen try to seize territory in Jalapa, the Honduran artillery supports them with mortar fire, in an effort to weaken Nicaraguan positions. Thus, this has become a true border war.

We are reading today that the Honduran Army is concentrating regular infantry battalions in the Jalapa area. What does this mean? It has been our experience in the past that whenever the Honduran Army announces that it is gathering forces in an area, a new attack is underway.

[Words indistinct] Somozists who used to be members of the country club and the (?Terraza) Club, including a man by the name of Chamorro Coronel, have been announcing that the big offensive that they will stage on occasion of the fourth anniversary of the revolution is drawing near. Thus, the Honduran Army is beginning to send troops to this area.

So, by putting the Honduran Army in this position, the United States is creating great tension on the border. It is creating the threat of a large military confrontation in Central America.

Our government charged last week that these Honduran guardsmen, the CIA, and the Somozists are planning to attack a Honduran border town using men disguised as Sandinist soldiers. They would massacre civilians there and then use this as a pretext for attacking Nicaragua, for the Honduran Army lacks a very important factor as yet: the Honduran people's support for such attacks. It doesn't have this support. The Honduran people don't want a war between Honduras and Nicaragua.

Last week, the Tegucigalpa archbishop, who said that he is interested in peace and rejects war, officiated at a mass in Tegucigalpa attended by 5,000, who wished to demonstrate that they don't want a war with Nicaragua. This is very important, because to the degree that the Honduran people oppose a war, the Honduran military officers will not feel strong enough to undertake aggression. It is for this reason that they are planning to create a situation like an attack on innocent people in a border town, for which we can be blamed.

You can see, then, that the Honduran Army, the CIA, the Pentagon and Reagan's advisers have a warlike, warmongering and aggressive attitude. They believe that they can solve their problem with an attack on Nicaragua. They can't understand something that has not entered their minds.

They can't understand that when a people must defend themselves, when they organize for defense, and when they take up weapons voluntarily -- for this "All of the Weapons to the People," which is the slogan of the fourth anniversary of the revolution, is not merely a saying -- then no mercenary army and no so-called professional army can defeat them. This would be a war not between one army and another, but between an invading or occupying army and all of the Nicaraguan people, who would be up in arms. No a nation has ever been defeated under such conditions, and this is the history that we are living here.

Consequently, we are preparing ourselves for defense in the face of these threats of aggression. But we are not just preparing ourselves to defend the country militarily; we plan a political and diplomatic defense, as well. For this reason, we are travelling abroad and ensuring all, backed by the revolution's prestige, that we want peace.  
[applause]

We can be certain of one thing: When Nicaragua says that it wants peace and when Nicaragua says that we are not aggressors, the world believes us. The world believes what the Sandinist revolution says.

I just spent 3 days in Venezuela, where I spoke with political leaders, union leaders, mass organizations, intellectuals, professionals and everyone else. People understand very well just what the positions are. Therefore, comparing what the Honduran military officers say to what the Nicaraguan revolution says, I can say that the Nicaraguan revolution has 1,000 times as much credibility in the world. This is our great moral strength, which together with our weapons and our people's determination, we can use to face any aggression. This is a political and moral victory that we have already achieved. We have credibility with the U.S. people, the Latin American people, and the world. For this reason, we have the strength to face any kind of aggression.  
[applause]

#### BORGE PONDER'S COUNTERREVOLUTIONARY 'WAR PLANS'

PA011535 Managua Radio Sandino Network in Spanish 1200 GMT 1 Jul 83

[Text] The CIA and the Honduran Army will use former Somozist guards disguised as Sandinist soldiers. This charge was made yesterday by Commander Tomas Borge Martinez. In denouncing war plans against Nicaragua prepared by U.S. imperialism, Interior Minister Borge Martinez said that at a recent meeting, chief Honduran Army General Gustavo Alvarez, counterrevolutionary chieftains, and CIA agents decided that as soon as the criminal counterrevolutionaries secure a piece of Nicaraguan territory, they will request aid from the United States and recognition from the OAS. They will also receive aid from the Pinochet government. Let's listen to Commander Tomas Borge.

[Begin recording] It is possible that what we are saying now won't take place because we are denouncing the situation. Let's hope it does not. It involves the utilization of pirate and flagless planes to attack Nicaraguan sites, to attack Nicaragua immediately thereafter. They would attack a Honduran town using former Somozist guards disguised as members of our army. This supposedly would be our reaction to the attack by the pirate planes.

From then on, they would initiate armed actions that would involve both counter-revolutionary and Honduran forces. The northern forces would exploit the return of Pastora's counterrevolutionary forces -- to give them a name. Pastora first said he was leaving. Now he says he is returning.

This means that Pastora's return -- return in quotation marks -- takes place following this meeting, and that there has been integration of the counterrevolutionary forces of former Somozist guards in Costa Rica [as heard], the counterrevolutionary forces of Pastora in the south, and the Honduran Armed Forces, in the plans for aggression against our country -- an aggression intended to involve a quick war, with the idea of seizing a portion of Nicaraguan territory and establishing a provisional government that would be aided by the United States. And there is the possibility that this would be supported by the OAS. They will at least try to secure OAS intervention.

There is often mention of the possibility of substantial aid from the Pinochet government in Chile in the form of naval support [end recording]

RAMIREZ AT CARACAS MEETING; CITES REBEL PLANS

PA271758 Paris AFP in Spanish 1725 GMT 27 Jun 83

[Text] Caracas, 27 Jun (AFP) -- Sergio Ramirez, one of the three members of the Sandinist junta, said today in Caracas that former Somozists and Honduran troops are planning to attack a Honduran village on the border with Nicaragua and to massacre its inhabitants as a pretext to unleash a large-scale aggression on Nicaragua.

Ramirez stressed at a news conference that Nicaragua has obtained this "reliable information." He also said that unmarked combat planes will bomb his territory as part of what he termed "foreign aggression."

Nicaragua and Honduras are on the verge of a confrontation over Managua's repeated charges that Honduran territory serves as platform for the invasion of Nicaragua by former Somozist guardsmen and other forces opposed to the Sandinist regime.

Ramirez estimated that, so far this year, between 260 and 280 Sandinist soldiers and militiamen and 300 other persons, including doctors -- among these, a West German and a Frenchman -- rural engineers, cooperative and small and medium industry leaders of Nicaragua. [As received]

"They might total about 600 persons," he said. Ramirez is participating in a congress on Latin American Political Thinking, an event that has gathered 220 personalities from 18 countries.

The Sandinist junta member will present the guidelines of the Sandinist revolution, which he described as pluralistic, given the existence of 11 political parties and of private enterprise, but "radical in promoting the interests of the people."

Ramirez will meet with Venezuelan President Luis Herrera Campins; Congress President Godofredo Gonzalez; and the presidential candidates for the 4 December elections: Social Democrat Jaime Lusinchi, Christian Democrat Rafael Caldera, and leftists Teodoro Petkoff and Jose Vicente Rangel.

He is being accompanied by Finance Minister Joaquin Cuadra, Education Minister Carlos Tunnermann, International Reconstruction Fund Minister Edmundo Jarquin, Tourism Minister Herty Lewites, and other Sandinist Government personalities.

Since his arrival in Caracas, Ramirez has reiterated that the Nicaraguan situation is very tense. "An attack is on our threshold and the aggression from Honduras is endless."

He blamed the United States for this situation, explaining that it supports the Somoquist troops who attack Nicaragua from Honduras. At a news conference today, he also referred to the rift between the Sandinist junta and the Catholic hierarchy, which, he said, constitutes "very painful pressure" for the Nicaraguan people, who are predominantly Catholic.

#### Speech at Meeting

PA301750 Managua Radio Sandino Network in Spanish 1200 GMT 29 Jun 83

[Text] Caracas -- Companero Sergio Ramirez said yesterday in the Venezuelan capital that Nicaragua rejects the right of the United States, in the name of some extremist doctrine of expansion, to decide what concerns the Central American peoples.

The government junta member delivered an extensive and vigorous speech to the Congress on Latin American Thought currently being held in Caracas. He reiterated that Nicaragua rejects war in Central America as a solution to the conflict the United States has created in the region. Sergio Ramirez rejected U.S. charges that the Sandinist government has tried to export its revolution. Nevertheless, he added that no one can prevent renovating ideas, which fill peoples with hope, from passing from one country to another, as has been occurring in Latin America since the 19th century and Bolivar.

The Sandinist leader defined the Nicaraguan revolution as a stone that we have placed in the edifice of Latin American history, which is why it must be defended not only with words and ideas but also with weapons -- so that it can grow and show its effectiveness as an alternative for change and independence on the continent.

The Congress on Latin American Political Thought is being held as part of the festivities to commemorate the bicentennial of the birth of Venezuelan liberator Simon Bolivar.

#### Return From Caracas

PA010247 Managua Domestic Service in Spanish 2100 GMT 30 Jun 83

[News conference by junta member Sergio Ramirez Mercado at Augusto Cesar Sandino Airport on his arrival from Venezuela on 30 June; questioners not identified -- recorded]

[Excerpt] [Ramirez] As you know we began a visit to Caracas on Sunday on the occasion of the Congress on Latin American Political Thought. During the congress, we had the opportunity to carry out an intense political activity in Venezuela, whose people are fully identified with the Nicaraguan revolution. We were able to sense this feeling during the various interviews and meetings with different political, social, intellectual, and economic sectors.

The Venezuelan reactionaries have been carrying out a misinformation campaign headed by counterrevolutionary groups; they have been distorting the facts. In this respect, however, the written, oral, and televised media afforded us ample coverage and we were able to counter such distorted campaigns.

Furthermore, we received many expressions of solidarity. We had the opportunity to meet with the four presidential candidates Jaime Lusinchi of Democratic Action, Dr Rafael Caldera of COPEI, Teodoro Petkoff of the Movement to Socialism, and Dr Jose Vicente Rangel of the People's Unity Alliance.

They all voiced deep concern over the events in Central America, the search for peace, and respect for the self-determination and sovereignty of the Nicaraguan people.

We also met with President Luis Herrera Campins with whom we examined the peace efforts of the Contadora Group, the Central American situation in general, and other issues related to the economic cooperation between Venezuela and Nicaragua.

Father Uriel Molina's role in this visit was outstanding. He explained to the Venezuelan people the views of the church identified with the revolution. His presence in Caracas was most important in clarifying a number of aspects of the role of the church identified with the Nicaraguan revolution. Our delegation also included Dr Joaquín Cuadra and Dr Carlos Tunnermann, both of whom participated actively.

[Question] During your stay in Venezuela, there were some demonstrations of solidarity with the Nicaraguan revolution, including the Geopolitical Institute of Venezuela, which I believe is the right name. [Words indistinct] which suggested that the Contadora Group be increased in number. In fact, they made a suggestion and mentioned some countries. [Words indistinct] also expressed its solidarity and said it would make efforts to help pacify Central America. What were your impressions of all this?

[Ramírez] There is no doubt that the Contadora Group has world support, not only from the nonaligned nations but also from the USSR and the socialist nations. It has ample political support, which Nicaragua itself expressed at the UN Security Council. There are great hopes that the next Contadora Group meeting will have specific results and that the intransigency of the Honduran Government will cease, giving way to a direct debate of the bilateral matters between Nicaragua and Honduras.

I would like to add that our participation in the Bolivarian congress on Latin American political thought was important, and the support for our revolutionary process was obvious among those delegations present, which [words indistinct].

[Question] Dr Ramírez, what was your impression of the Andean Pact nations' feeling on the activities of the U.S. special envoy to Central America because his activities are apparently considered somewhat parallel, perhaps to divert the efforts of the Contadora Group?

[Ramírez] The general impression among those who attended the congress is that Stone's visit did not imply any advance in the situation because it has not contributed to any sort of solution. It has been taken with much skepticism as to the Central American situation. In fact, his visit has been considered an attempt to clean up Reagan's image in the eyes of U.S. public opinion, thus giving the impression that Reagan is seeking formulas for peace when we all know that he is actually trying to speed up the preparations for war in Central America.

#### ROBELO ON EFFORTS TO GET U.S. BACKING FOR ARDE

PA050444 San Jose LA NACION in Spanish 27 Jun 83 p 8-A

[Excerpts] Alfonso Robelo, the political leader of the opposition Democratic Revolutionary Alliance (ARDE), forecast yesterday that ARDE will soon renew its armed struggle against the FSLN regime in Nicaragua.

Robelo returned from Washington on Saturday, where he had made efforts before U.S. Government authorities to try and obtain assistance for the Commander Eden Pastora, the military leader of ARDE, and his 2,200 fighters in southern Nicaragua.

From Barranquilla, Colombia, the news agency EFE had quoted Nicaraguan Labor Minister Virgilio Godoy as saying that Pastora was forced to withdraw from the struggle because the Nicaraguan people do not respect him.

Robelo said that the opposite is true, and that the backing that the Nicaraguan people give ARDE is "unprecedented and therefore places a heavier burden on our shoulders. The people are overwhelmingly in our favor." According to Robelo, he met in Washington with officials from the Congress, the State Department, and the National Security Council.

Although he did not receive any firm responses to his efforts, Robelo did not rule out receiving financial aid in the next few months. He said that the U.S. officials all agreed that ARDE should be given assistance.

He added that the officials said that thus far this has not been done due to budgetary obstacles and pressures in Congress. This is a problem that affects democracies in general," Robelo said. "The controls make for a lengthy process, and allow little flexibility for their aid."

Robelo said: "There is a people up in arms in Nicaragua that cannot wait." We have paused for a moment on the wayside to evaluate just how far we can go with our limited resources," he stressed. [quotation marks as published]

Robelo said it is not true that the U.S. aid will come with the condition that ARDE join forces with the Nicaraguan Democratic Force (FDN), which is fighting in the north of the country. He said that as long as the FDN general staff is made up of former Somozist officers, "we cannot march toward unity."

He did say, however, that there have been "good responses" to Commander Pastora's appeal from Nicaraguan exiles and Latin Americans who helped them in their previous struggle against the Somoza regime. Based on this, he forecast the renewal of the struggle soon. Along with waging the struggle, he and Commander Pastora will travel to other American and European nations seeking aid. "If we had unlimited backing we would win the war quickly," he stressed.

#### FDN STAGES ACTIONS IN JINOTEGA, NUEVA SEGOVIA

PA052028 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 5 Jul 83

[Text] Anti-Sandinist rebels are fighting intensely in Jinotega and Nueva Segovia in northern Nicaragua. The rebel station Radio 15 September, which broadcasts from the Nicaraguan mountains, reported in its regular transmissions that freedom commandos of the Nicaraguan Democratic Force [FDN] have staged new successful guerrilla operations in Jinotega and Nueva Segovia Departments in northern Nicaragua.

The station reported that in Jinotega Department, bordering on Matagalpa Department in north-central Nicaragua, FDN commandos belonging to the Rafaela Herrera Task Force led by Commander Tigrillo fought intensely with more than 200 Sandinist army regular troops in [name indistinct] valley.

The anti-Sandinist insurgents led by Commander Pajarillo of the FDN [name indistinct] department who fought the Sandinist army said that they inflicted a large number of dead and wounded on the Sandinist army. Rad-io 15 September said that in the same department, the rebel forces waged battles in the Wanblan and (Santa Elena del Ocote) mines, and recovered many rifles, ammunition and other military supplies.

Meanwhile, in Nueva Segovia Department, commandos of the Pine I Task Force attacked a Sandinist military garrison located in front of the (Ramos) and (Campo Hermoso) neighborhood in Jalapa. The garrison served as a communication link between Jalapa and Ocotal, the departmental capital.

#### SANDINIST AIRCRAFT REPORTEDLY ATTACK ARDE FORCES

PA060425 Panama City ACAN in Spanish 2101 GMT 5 Jul 83

[Text] San Jose, 5 Jul (ACAN-EFE) -- The leadership of the Democratic Revolutionary Alliance (ARDE) has announced that today, for the third consecutive day, the Nicaraguan Government's air force attacked at least eight positions held by columns of the forces of Eden Pastora, "Commander Cero." The Sandinist planes and helicopters used 50-cal machine guns and up to 500-lb bombs, according to the sources.

The ARDE spokesmen said that despite the intense fighting and attacks by the Sandinist army, air force, and Cuban internationalists, they are holding the positions taken in May and June. The struggle on the southern front is now generalized along the San Juan River, from its mouth where the San Juan del Norte port is located, which has been under attack by Pastora's forces for the last week, as far as the fort of San Carlos, on the shore of the great lake [Nicaragua Lake].

The ARDE leadership said that in the fighting over the weekend and yesterday, Monday, the government forces lost at least 30 dead, 90 wounded, and 37 prisoners, who were later turned over to the Costa Rican Red Cross at the border. Among the casualties inflicted on the government forces, the rebels include six dead of the Cuban Directorate of Special Operations (DOE) in the fighting in San Juan del Norte.

The ARDE spokesmen supplied a list of arms captured from the government as a result of the fighting between the end of May, when the cease-fire established by Commander Pastora ended, and the first days of July. On the list they include specifically Soviet AK-47 machineguns [as published] and U.S. M-16 rifles. They also captured a boat belonging to the Nicaraguan Agrarian Reform Institute (IMRA). The Sandinist air force later sunk the boat in an attack on the ARDE troops at the mouth of the San Juan River.

In a report heard last night in San Jose, Commander Eden Pastora announced that Panamanian Commander Hugo Spadafora is in command of large columns of his forces and has led several of the principal operations along the San Juan River on the Atlantic Coast. In addition to Spadafora, the ARDE general staff is composed of Commanders Tito Chamorro, Berny" and Pedro Rafa.

The air attacks on the antigovernment columns occurred in La Azucena, Sarapiquí, El Delta, Rio Maiz, Rio Indio, Punta Corda, Jaloa, and two posts north of Bluefields (Atlantic Coast). All these places are inside Nicaragua. The attacks were carried out by two T-33's, two P-28's, five Push and Pull [in English] planes, four Soviet Antonov helicopters, one U.S. helicopter, and another Soviet plane not identified by the ARDE spokesmen.

DESIRED SUGAR AGREEMENT OUTLINED IN LONDON

FL061452 Havana Domestic Service in Spanish 1100 GMT 6 Jul 83

[Text] Cuba has outlined the basic principles which should govern the new international sugar agreement to make it efficient and capable of raising and maintaining sugar market prices. The proposal was made by Cuban Foreign Trade Minister Ricardo Cabrizas, who spoke during a meeting of the contact group of the UN conference on sugar which opened in London on Monday.

Cabrizas cited seven points which should be considered in the new agreement in order to satisfy the requirements of developing countries that export sugar. One of these fundamental points referred to the need to regulate the market in such a way as to raise sugar prices to a reasonable level, both for the importer and the exporter.

FBI PROBE OF 'DEBATEGATE' SCANDAL CITED

FL061351 Havana Domestic Television Service in Spanish 1140 GMT 6 Jul 83

[Text] Washington -- The Federal Bureau of Investigation has begun to question some officials of the Reagan administration and former officials of the Carter administration in order to clear up the electoral scandal known as "Debategate." Persistent demands have also been made to make President Ronald Reagan himself look into this matter as new revelations continue to be made on the subject.

The "Debategate," a word made up after the Watergate scandal which forced Richard Nixon to resign, concerns questions as to how confidential papers of the Democratic Party fell into the hands of Reagan's electoral team in 1980.

This week the FBI will question James Baker and David Gergen, chief of staff and director of communications respectively, of the White House, and an undetermined number of former Carter aides.

USSR AMBASSADOR AWARDED PORT WORKERS MEDAL

FL062202 Havana Domestic Service in Spanish 2130 GMT 6 Jul 83

[Text] The Aracelio Iglesias Medal was pinned on the chest of USSR Ambassador to Cuba Konstantin Katushev by Evaristo Baranda, member of the Central Committee and secretary general of the National Merchant Marine, Port, and Fishing Workers Union, during a ceremony held in Havana.

The Cuban-Soviet Friendship Association hosted the solemn ceremony, which was chaired by Commander of the Revolution Guillermo Garcia Frías, member of the Politburo and transportation minister. The Aracelio Iglesias Medal is awarded to Cuban workers with 25 years or more of service in maritime-port activities and in the fishing industry. In exceptional cases, it is awarded to personalities who have contributed outstandingly to the development of the aforementioned activities in our country.

In a speech at the ceremony, Konstantin Katushev said he was accepting the award with profound gratitude and not for personal merits but as a part of the great cooperation existing between the peoples of Lenin and Jose Martí.

42 YOUTHS GRADUATE FROM ALMA ATA INSTITUTES

FLO61820 Havana Domestic Service in Spanish 1416 GMT 6 Jul 83

[Text] For the first time in its history, the state university and the polytechnic institute of the Kazakh SSR graduated 42 Cuban youths. The students will return to their homeland with their diplomas as automation, digital computer, and mining engineers, as well as philosophy professors. A cultural evening marking the graduation was held at the Alma Ata Kazakh University where the dean, (Vladislav Leonov), wished the 42 Cuban youths success in their careers and lives. The dean of the Soviet university, located in one of the central Asian republics, said the Cubans demonstrated profound interest while learning their future careers.

CASTRO RECEIVES HEALTH CONFERENCE DELEGATES

FLO61030 Havana Domestic Service in Spanish 1000 GMT 6 Jul 83

[Text] Commander in Chief Fidel Castro has received at the Palace of Conventions the participants of the international conference, "Health for Everyone: 25 Years of Cuban Experience," which today opens the 3d day of sessions in this capital. The reception was attended by WHO Director General Halfadan Mahler, other prominent figures of medical sciences, and a substantial representation of the diplomatic corps accredited in our country.

Salvadoran Delegate Interviewed

FLO61250 Havana Domestic Service in Spanish 1000 GMT 6 Jul 83

[Text] Dr (Gilberto Ayala), delegate of the Health Professionals Committee of El Salvador [CPSES], has been attending the international conference "Health for Everyone: 25 Years of Cuban Experience." The CPSES has published a book entitled "War and Health." Journalist (Jose Arteaga) from our staff talked with Dr (Ayala) on the subject of the book.

[Begin (Ayala) recording] The book contains certain charges made by public health personnel and by U.S. medical personnel who have visited our country and observed the health conditions in our country and the work under way. They have lodged complaints with various international human rights organizations to expose the serious health conditions prevailing in our country.

The book makes two charges, the last of which was lodged in January. At that time, the American Public Health Association revealed the health conditions prevailing in the country and denounced the abuses against the professionals dedicated to this humanitarian task. Also in this war situation, the book reveals how the government carries out a genocidal campaign against the people. It tells how the government applies the strategy of scorched earth, leaving no plant, animal, or human life. It kills all forms of life to try to remove people living around places where the insurgents control the area.

In short, the book tries to expose and announce to the world the poor response of the government to health conditions in our country, and how many people -- aware of their humanitarian duty and at the cost of considerable sacrifice -- provide health care under difficult circumstances. [end recording]

CARICOM DISCUSSES EXPANSION; SEAGA RULES OUT CUBA

FLO61659 Bridgetown CANA in English 1455 GMT 6 Jul 83

[By Keith Grant]

[Text] Port of Spain, Trinidad, July 6 (REUTER) -- Caribbean Community (Caricom) leaders today discussed widening the 13-nation integration group to help revive trade but Jamaican Prime Minister Edward Seaga warned against accepting undemocratic governments such as Cuba.

Seaga told newsmen at the fourth Caricom summit taking place here this week that the Caricom Market of just over four million people should be at least doubled, but said regimes such as Cuba could not be considered because of its declared policy of subversion in the region.

Caricom heads of government were in the third day of vital trade talks aimed at securing the future viability of the group which this week celebrates 10 years since its creation.

Seaga declined to specify which countries he had in mind when [he said on] the opening day that Caricom must associate with non-English speaking countries, though Haiti and Suriname have been mentioned as candidates, as well as the Dominican Republic and Puerto Rico.

"After 10 years of being an English club it is time we considered widening membership," Seaga said. He said this could be done either through accepting full members or by closer association with third countries.

Seaga's proposals have met mixed reaction in Caricom, with some countries such as Trinidad and Tobago preferring to consolidate the existing group before widening its scope.

The Jamaican leader however softened his stance on Marxist-governed Grenada, which he and Barbados Prime Minister J.M.C. (Tom) Adams attempted to pressure into holding elections at the last summit in Ocho Rios, Jamaica, last November.

We accept the principle of ideological pluralism on the basis that each country has a sovereign right to choose its government, provided this does not become a mask to subvert other governments, he said.

Seaga said however that until Grenada allows certain democratic freedoms such as trade unions and a free press, it cannot expect to benefit from the United States' Caribbean Basin Initiative.

He said delays by the U.S. Congress in passing the CBI has been a source of some frustration in the Caribbean, but that he expects the trade segment of the bill to clear Congress sometime this month. The 350 million U.S. dollar aid portion has already been approved, but the third and final element (investment) has yet to be submitted to the U.S. legislature.

Among the more complex issues facing leaders today was a means of reviving the stalled trade credit system known as the Caribbean Multi-lateral Clearing Facility (CMCF). The 100 million U.S. dollar facility, under which importers could pay for Caricom imports on credit, functioned well for six years until Guyana recently fell behind on payments and was suspended.

Conference sources said Caricom leaders have agreed the facility should continue as an essential element in stimulating regional trade, but remain divided on how to finance it. Guyana's debt to the CMCF is put at 90 million U.S. dollars, over half of which is to Barbados.

Seaga said today the CMCF still has some financial resources and that [it] may not need additional funds at this stage. However, he said there are proposals to widen its structure to convert it into a kind of bank for international settlements in the region. In this case, he said, it would need new funds.

The CMCF is just one of a number of recent setbacks to incipient intra-regional trade in the Caribbean which currently totals only around 10 pct of global trade of some 5.5 billion U.S. dollars of Caricom countries.

Balance of payments problems forced Jamaica in January to impose a two-tier exchange rate which had the effect of penalizing imports from its Caricom partners. Barbados and Trinidad, two of the stronger Caricom economies, responded immediately and the impasse was only partially resolved in May.

Seaga denied that the two-tier exchange rate was an effective devaluation since the official rate remains 1.78 Jamaica dollars to the U.S. currency. He said also that Jamaica expects to have a substantial balance of payments surplus this year, despite poor bauxite earnings, and that the country is struggling to overcome the effects of world recession.

Although trade problems have overshadowed talks so far, Caricom on Monday celebrated its 10th anniversary with the accession of the Bahamas as the 13th member, and yesterday the seven Eastern Caribbean countries created a central bank to coordinate monetary policy among them.

Today, the group also launched a regional food and nutrition strategy aimed at reducing its food import bill of around 500 million U.S. dollars annually. The strategy will cover self-sufficiency in the resource-rich countries over a five to 10 year period.

#### ADAMS DENIES BARBADOS IS BEGGING FOR MONEY

FL061840 Bridgetown CANA in English 1743 GMT 6 Jul 83

[By Trevor Simpson]

[Text] Port of Spain, Trinidad, July 6, CANA -- Barbados Prime Minister Tom Adams today reacted angrily to a bold front page headline here suggesting that his country was begging Trinidad and Tobago for money.

"Barbados asks for 24 million dollars," screamed the GUARDIAN banner, with the sub-head "bail us out of liquidity squeeze plea to Trinidad."

The paper was reporting on perhaps the thorniest issue facing the Caribbean Community Heads of Government Conference here: How to resuscitate the Caricom Multilateral Clearing Facility (CMCF) - the credit system that has provided key institutional support for intra-regional trade since 1977."

The facility ran out of money and was suspended April 1 due mainly to Guyana's failure to settle its substantial balance - said here to be about 98 million dollars (U.S.) - nearly 50 million of which is owed to Barbados.

Mr Adams acknowledged that he had been locked in bilateral discussions yesterday with his Trinidad and Tobago counterpart George Chambers seeking a formula for restarting the CMCF, but he described the GUARDIAN headline as "malicious."

Said Adams in a brief comment to CANA just before the leaders resumed their third day caucus at the Trinidad Hilton Hotel this morning:

"The essence of the proposal is that Barbados issued a bond - take up a bond from Guyana - for 49.5 million (U.S.) dollars. In other words that we lend Guyana 49.5 million U.S. dollars."

"We have made it clear Barbados is in no financial position to afford anything of the sort and that we would require some coverage for our exposure."

"I therefore think it very malicious to headline a story, (like that) when Barbados is being asked to make a larger loan to the country than any that Trinidad has ever made...."

Furthermore, Adams said: "...Barbados has made it clear that we would expect that as a minimum irreducible condition that in any revised CMCF, all oil supplied for consumption from one member to another should be passed through the facility...all petroleum and petroleum products."

Settlement of Guyana's balance is crucial to restarting the 100 million dollar (U.S.) CMCF and Barbados is equally anxious to either run down its credit or get back the 65 million dollars (U.S.) the facility overall owes the island.

But with Guyana's severe foreign exchange shortage persisting, it is being proposed that Barbados lend Guyana 49.5 million (U.S.), and Port of Spain would in turn advance a similar amount to Bridgetown.

The bilateral discussions came after differences on the CMCF issue between Barbados and Trinidad surfaced at yesterday's first caucus session.

The directorate of the scheme - the regional Central Bank Governors - had in fact put before the meeting a report with a set of options for reopening the CMCF, but none of them found consensus yesterday.

The CMCF board had recommended that Guyana's settlement obligations as of March 31 this year be apportioned among the creditors - 19.1 million U.S. dollars to Trinidad and Tobago; 49.4 million U.S. dollars to Barbados; 7.5 million U.S. dollars to the East Caribbean Currency Authority (ECCA) and 530,235 dollars to Belize.

The creditors, according to the board, ought to be requested to hold this debt on a bilateral basis. And that Guyana be asked to do two things [words indistinct] treated along with other arrears in its discussions with the International Monetary Fund and repayments within one to five years at market rates of interest.

Bearing in mind Barbados' need for liquid reserves, the board is asking that current three-year 10 million U.S. dollars loan negotiations between Trinidad and Tobago and Barbados be concluded.

The CMCF board has also asked that Trinidad and Tobago agree to pay the 12.2 million U.S. dollars due to Guyana under Trinidad and Tobago's Caricom oil facility in respect of last quarter of 1981.

Under a re-established facility, the board has suggested that debtor limits ought to be strictly adhered to, and that no deferrals be allowed except in special circumstances. Also, that quarterly settlements be introduced instead of the previous twice yearly system, and that the next settlement date would fall due September 15, 1983.

The board has also recommended that market rates of interest should be charged on debit positions. This was but one series of options placed before the meeting by the board.

Conference sources said the complex nature of the issue would possibly require another bilateral meeting today between Prime Ministers Chambers and Adams.

#### BISHOP SAYS RELATIONS WITH U.S. IMPROVING

FL062049 Bridgetown CANA in English 1959 GMT 6 Jul 83

[Text] Port of Spain, Trinidad, July 6 (REUTER) -- Grenada's Prime Minister Maurice Bishop said here his recent attempts to normalize relations with the United States have been very successful and that the Reagan administration is changing its mind about his country.

Bishop told a press conference his visit earlier this year to the U.S. had established important contacts on a personal level with influential figures there at Congress and other levels. "It is not a question of begging favours or of whoever happens to be in power," Bishop said. Grenada is ready to discuss improved relations with President Reagan or any other president, he added.

Bishop was speaking during the fourth heads of government meeting of the 13-nation Caribbean Community (Caricom) which is meeting here this week.

The Grenadian leader, who came to power in a March 1979 coup, nevertheless attacked Jamaican Prime Minister Edward Seaga who on the first day of the conference delivered a thinly disguised broadside at Grenada by criticizing Caribbean regimes that do not uphold human rights.

Bishop lashed out at Seaga's own human rights record in Jamaica, which has received substantial U.S. aid in the last three years and has been a significant beneficiary of aid under Reagan's Caribbean Basin Initiative.

"When Mr Seaga talks of free elections I believe he is forgetting what happened in his own elections when more than 700 died," Bishop said in referring to violence-torn general elections in 1980 where Seaga won a landslide against socialist Michael Manley.

Bishop criticized the CBI, which provides for no financial aid to Grenada, for discriminating on political grounds and pointed out that the European Common Market by contrast is a substantial aid-giver to his country.

He accused the U.S. also of blocking International Monetary Fund assistance last year and claimed that Grenada is on an IMF "hit-list" because of its ideological stand.

Nevertheless, Bishop said the Reagan administration has changed its tune on the airport, currently being built with help from Cuba and other countries, and which the U.S. had claimed was being built for military purposes. He joked that as a result of this changed opinion he is considering naming it the Ronald Reagan airport.

Asked whether he plans to hold free elections, Bishop said a special mixed commission has been set up to study a new national constitution which will deal with a framework for holding elections.

The commission will hold its first meeting this month and will prepare a draft constitution during the next two years and submit it to popular plebiscite. He said he personally could not anticipate the outcome of this study.

Bishop denied reports that hundreds of political prisoners are still held in Grenada. He said they now number between 35 and 38 and are being duly processed in the courts as and when sufficient documentation is prepared.

#### GARMENT MANUFACTURERS SET GOALS FOR GROWTH

FL061825 Kingston Domestic Service in English 1600 GMT 6 Jul 83

[Text] Regional garment manufacturers have set themselves a target of creating 100,000 jobs and generating export earnings of \$500,000 over the next 10 years. This, they said, would come about if they get cooperation in stemming the inflow of foreign illegal imports.

The chairman of the Regional Garment Task Force, Jodha Samaroo, said his group had agreed on the need to establish a regional institute of apparel technology and fashion as one of the means of achieving the goal of accelerating the growth of the region's apparel industry.

Mr Samaroo told the CARIBBEAN NEWS AGENCY that the task force has recommended the establishment of the institute to the Caricom Heads of Government Conference now in its 3rd day in Port of Spain, Trinidad. He said the task force is now putting a package together for the institute and had already identified a number of the lesser developed countries in the region where Caricom garment manufacturers could make a start.

#### BAHAMAS JOINS CARICOM, WILL HOST 1984 SUMMIT

FL061421 Nassau Domestic Service in English 1200 GMT 6 Jul 83

[Text] The Bahamas, the newest member of the Caribbean Community, Caricom, has agreed to host the next heads of government summit. No date for the next meeting has been set yet but reports said it might be in July next year to mark the 11th anniversary of the regional integration movement.

The prime minister, the Right Honorable Sir Lynden Pindling, and the minister of foreign affairs, the Honorable Paul Adderley, are in Port of Spain, Trinidad, representing the Bahamas. On Monday, Sir Lynden formalized the Bahamas membership in the Community by signing the Treaty of Chaguaramas. The Bahamas is the 13th member of Caricom.

#### GRENADA

#### BISHOP ON U.S. INTERFERENCE IN IMF, WORLD BANK

PA040129 St Georges Domestic Service in English 2300 GMT 3 Jul 83

[Text] Prime Minister Maurice Bishop has said Grenada has excellent relations with the technical staff of the IMF, whom he has described as competent, honest, and professional. He was speaking on Grenada-IMF relations at a press conference during his recent trip to the United States.

[Begin Bishop recording] Two years ago when they came down to discuss an EFF, Extended Fund Facility, they in fact spent several weeks on the island. They got together all of the facts, all the material; their prepared the necessary letter of intent; they came back, they submitted their project to all of the technical sections of the IMF. That went right through the technical sections of the IMF with full marks.

It came out; it went before the management, and it also passed that with full marks. It then went before the board of directors, as all of these projects must go. And just 3 or 4 days before it due to come up for hearing, before the board, the American director on the board took it off the agenda by applying his veto.

In other words, what we have discovered as a second factor and second characteristic is political interference, particularly by the United States, in our dealings with the IMF and the World Bank. The result has been: We have not been able to get even one single cent, after all these years of independence, from the World Bank; and in the case of the IMF, although all of our applications have passed the necessary tests, we have not been able to go past a standby arrangement with the IMF to date. [end recording]

#### BISHOP: CONSTITUTION TO REFLECT PEOPLE'S AIMS

FL301935 Bridgetown CANA in English 1840 GMT 30 Jun 83

[Text] St Georges, Grenada, June 30, CANA -- Prime Minister Maurice Bishop envisages that the new constitution to be prepared for Grenada by a recently-appointed five-member commission will be a document that reflects the aims and objectives of the Grenadian people.

He said the document, which is to replace the constitution suspended after his pro-Cuba New Jewel Movement (NJM) ousted the Eric Gairy regime in a March 13, 1979 coup, would be an "authoritative statement" of the rights of the people of Grenada to participate in the running of the country.

Mr Bishop said here the question of a constitution to pave the way for general elections in Grenada has not been a major issue for Grenadians who understood that the overthrow of Sir Eric came about in order "to ease their poverty and bring an end to repression in the country."

The Constitution Commission, which is to be chaired by senior Trinidad and Tobago crown counsel Allan Alexander has been mandated by the government to present its final constitution draft within two years after it begins its job.

The commission will also include Richard Hart, Jamaica-born director of public prosecutions and attorney-general in Grenada, Ashley naylor, legal advisor to the Grenada Foreign Ministry, and two other members to be named by the Trade Union Council, the National Women's Organisation, the National Youth Organisation and the Productive Farmers Union.

The prime minister said the Grenada revolution came about primarily to bring more jobs, piped drinking water, education, free education and health, as well as a low-cost housing programme and a system of popular democracy for the people of Grenada.

"Our people understand these things and therefore to them the constitution was not a big question, but we believe it is important in this period that although life has gone on normally and even better than normally, we think it is now time for us to begin to entrench some of these systems of popular democracy," he added.

#### JAMAICA

##### GOVERNMENT ANNOUNCES IMF WAIVER ON PERFORMANCE

FL301833 Kingston SUNDAY GLEANER in English 26 Jun 83 p 1

[Text] The International Monetary Fund (IMF) has excused Jamaica for its not coming up to performance in the March end test, and give it an additional U.S. \$160-million loan.

A release from the office of the Prime Minister yesterday said: "Prime Minister Edward Seaga announced today that the Board of Executive Directors of the International Monetary Fund yesterday approved the third year of the Extended Fund facility (EFF) programme with the Government of Jamaica.

The fund will release resources to Jamaica for this year totalling U.S. \$160.2-million.

The Board of Directors has also agreed to the request of the Government of Jamaica for a waiver of the performance criteria which were not observed at March 31, 1983. Consequent on approval of the EFF, a sum of U.S. 8-million will be disbursed on June 30, 1983.

The remaining portion approved will be disbursed in three additional tranches based on Jamaica's compliance with the performance criteria of the programme during 1983/84.

"The fact that the IMF has granted Jamaica's application for a waiver," the Prime Minister said today, "is an indication that the Fund's Board considers Jamaica's breach of the March 31 performance criteria a temporary lapse resulting from circumstances external to the economy and not from a structural weakness."

The IMF can only grant waivers for breaches of its performance criteria when such breaches result from conditions that are regarded as temporary. The approval by the Board of the Fund will permit the participation of external commercial banks in the third year of the EFF programme.

Discussions have already been initiated with these banks through two meetings arranged by the World Bank in April and June, as also discussions undertaken by the governor of the Bank of Jamaica with the Bank of Nova Scotia last Wednesday (June 22).

The way is also now clear for the provision of concessional finance by countries friendly to Jamaica, as well as support by multi-lateral and bi-lateral financial institutions. Total foreign exchange resources expected from all these sources are estimated at U.S. \$500-million.

The World Bank has already approved a structural adjustment loan of U.S. \$60.2-million and a replenishment of the Export Development Fund of U.S. \$30.1-million."

#### MANLEY LISTS ECONOMIC WOES, DECRIES CONSUMERISM

FL301951 Kingston DAILY GLEANER in English 24 Jun 83 p 1, 26

[Text] Opposition leader Michael Manley yesterday blamed Jamaica's economic crisis on what he called the "carnival of consumerism" which the JLP Government of Prime Minister Edward Seaga "has unleashed on the country" and which was "at the heart" of the financial crisis.

In a statement prepared for broadcast on Sunday, but which was released to the GLEANER yesterday, Mr. Manley said that all governments bore responsibility for past debts incurred by previous regimes.

"More than that, the hard truth is that over \$200 million -- over one-third of the current year's scheduled repayments -- represent repayment on debts incurred over the past 2 and 1/2 years by the JLP Government. In fact, another hard truth that Seaga must face is that in just over 2 years his government has borrowed some \$1.2 billion. This is more than the total debt incurred by the PNP administration in the whole 8 and 1/2 years of its responsibility.

"With this substantial borrowing, why is Jamaica experiencing the present financial crisis? It cannot merely be attributed to the repayment of debts incurred in the past. It is now obvious to everyone that the present crisis came about because of the economic model being pursued by the government. The 'carnival of consumerism' which they unleashed on the country is at the heart of this crisis."

Earlier, he stated: "When we look at the trade deficit, we see that in 1980 this stood at \$75 million, the best it has been for many years. By 1982, however, the trade deficit had widened to over \$1,105 million. Included in this was an increase of some 9.8 percent in consumer imports. In particular, consumer durables increased by some 38.4 percent in 1982 over 1981, the bulk of the increase being accounted for by motorcars, along with jewellery and electrical appliances. At the same time, raw material imports to run factories and employ Jamaican workers fell by 20.8 percent."

Mr. Manley said the People's National Party had identified four elements that must be the subject of emphasis and priority if "we are to move forward. These are self-reliance, sacrifice, discipline and co-operation among Third World countries. The dependent capitalist model cannot work."

Mr. Manley also listed eight aspects of life which he said would be worsened by the Government's latest economic measures. These were:

"Firstly, the action taken will further depress the Jamaican economy as they (the measures) will result in a severe shortage of cash stemming from a cutback in spending and money flow.

"Secondly, we are going to see a steady increase in the parallel market rate over the next few months. It is significant that the new measures contain no element that will increase the flow of foreign exchange in the banking system except for the movement of foreign investment flows into the parallel market. The Prime Minister hopes this will increase the flow of foreign currency, but such a hope must rest on a lack of the understanding of the economic principles underlying external investment. Potential investors will now have to bring in one-third less foreign exchange to make a particular investment. Therefore, this will more than likely reduce the flow of foreign exchange coming into Jamaica or, at best, produce a negligible increase in the value of foreign dollars available from the commercial banks. We predict that it will not stimulate a new flood of investment. At the same time, the over 50 percent increase in the number of transactions to be financed from the parallel market will increase demands for dollars from this source. The severely increased demand against a relatively constant supply will almost certainly force the parallel market rate up over the three dollar mark by September.

"Thirdly, the availability of goods on the supermarket shelves will be drastically reduced in the near future resulting from the cut of \$53 million from consumer imports. Coupled with the reduction of \$106 million from the import budget -- which will drastically limit the production capability of the Jamaican economy -- hard times are indeed ahead.

"Fourthly, the unemployment situation will continue to deteriorate and at a much faster rate than it has over the past year. This will occur in both the public and the private sectors. Workers should be warned that the reduced productive capability will result in further lay-offs across the country. In the public sector, the new fiscal budget with its reduced expenditure will be effected by forcing down public sector employment.

"Fifthly, the placing of agricultural items on the parallel market will severely curtail domestic agricultural production even further; and this at a time when domestic agriculture declined by 13 percent last year.

"Sixthly, the 1983/84 fiscal budget passed by Parliament just over a month ago is now useless. The Government must have known when they presented the budget that the revenues dependent on loans would not materialise. Nevertheless, they went ahead with the charade. Now that the deceit has been exposed, the Government will shortly have to table a revised budget with either increased taxation or reduced expenditure.

"Seventh, by placing educational expenses on the parallel market rate of exchange, the Government is in effect saying to parents -- especially in the poorer sections of the society -- that there is no hope of their children getting a secondary education. The prices of school books, tuition fees, examination fees, transportation costs to and from school all must increase. Already parents have been finding it difficult to find school fees for secondary education when children fail to win a place under the Common Entrance Examination. The recent move will all but effectively bury any chance of these children getting a secondary education.

"Finally, we come to the most harsh consequence of the new measures -- the matter of prices. The fact is that -- based on our calculations -- it appears likely that this most recent movement of goods onto the parallel market will result in an average price increase in excess of 40 percent over the next 18 months. And this is on top of the national inflation which was going to take place anyway."

#### TRINIDAD AND TOBAGO

##### DROP IN FOREIGN EXCHANGE RESERVES REPORTED

FL061841 Bridgetown BARBADOS ADVOCATE in English 30 Jun 83 p 3

[Text] Port of Spain, Trinidad, Wednesday (CANA) -- Trinidad and Tobago's foreign exchange reserves declined from last year end by \$1.2 billion at the end of March, the Central Bank said. The bank, in its report on the economy's performance for the first three months, said the reserves stood at \$5.9 billion at the end of the period. Foreign reserves totalled \$7.1 billion at the end of 1982. The bank reported that the reserves decline reflected the "persistence of the adverse payments position which began in 1982."

"Net sales of foreign exchange to the commercial banks during the quarter amounted to \$1.3 billion, 43.1 per cent higher than the first quarter of 1982," it reported.

The bank said the announcement in March of a significant fall in crude oil prices on the international oil market had gently enhanced the proposed of a continuing decline in Trinidad and Tobago's oil-based economy in future. The bank said government revenues from the petroleum industry fell in the first quarter by 13 per cent compared with the corresponding period last year. It did not give the total figure. It said Government's fiscal operations recorded a substantial deficit of 922.3 million during the first quarter of 1983.

"This was the fifth consecutive quarterly deficit since the fourth quarter of 1981. Government has also continued to incur substantial deficits on its domestic operations during 1982 and the first quarter of 1983," the Central Bank said. It added: "Meanwhile, the removal of subsidies on local petroleum and other products introduced in the 1983 Budget Speech has had an unfavourable impact on the domestic price level."

"The level of domestic prices in February 1983 as measured by the Retail Price Index (1982=100) was 8.7 per cent above the level of December 1982. Increases in transportation costs accounted for the largest share of the increase in the overall index."

The bank said that in contrast to the general decline being experienced in the petroleum industry, the fertiliser industry continued to perform impressively. "Available data indicate that the record levels of output (301.0 thousand tonnes) and exports (290.1 thousand tonnes) reached in the previous quarter will be surpassed in the first quarter of 1983."

The bank reported that fertiliser production totalled 218.9 thousand tonnes at a daily average rate of 3,711.6 tonnes compared with the daily average rate of 3,272.8 tonnes achieved in the last quarter of 1982.

"Exports in the first two months of the year amounted to 185.2 thousand tonnes," the bank said.